Government of Saskatchewan

Annual Report 2001-2002

Saskatchewan Economic and Co-operative Development

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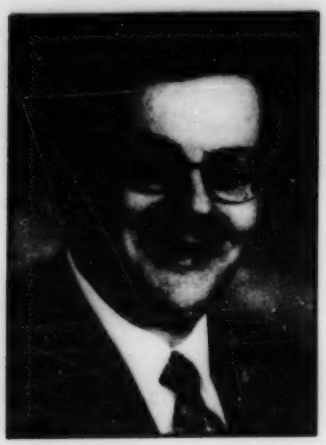


The Honourable Lynda Haverstock
Lieutenant Governor
Province of Saskatchewan

May it please Your Honour:

I respectfully submit the Annual Report of Saskatchewan Economic and Co-operative Development for the fiscal year ending March 31, 2002.

Eldon Lautermilch
Minister of Industry and Resources

The Honourable Eldon Lautermilch
Minister of Industry and Resources

Dear Sir:

I have the honour of submitting the Annual Report of Saskatchewan Economic and Co-operative Development for the fiscal year ending March 31, 2002.

Respectfully submitted,

Larry Spannier
Deputy Minister

Department Overview

Saskatchewan Economic and Co-operative Development has as its corporate vision an innovative, prosperous and sustainable Saskatchewan economy with full participation. The department is the lead provincial government agency to spur economic growth, but is not the only department involved in economic development. It thus has a twofold role: to offer direct programs and services to individuals and businesses, and to play a role in co-ordinating economic development activities among other departments and agencies.

The department has five broad strategic goals. They are:

- To foster an innovative and knowledge-based economy.
- To maximize employment opportunities, specifically in priority sectors, among Aboriginal people, and through stronger community and regional economies.
- To foster a positive environment for businesses and co-operatives.
- To foster a positive attitude about Saskatchewan's economy.
- To be an employer of choice (internal goal).

The department's organizational structure remained unchanged during the fiscal year, with resources focused on implementing the new provincial economic development strategy as well as supporting the department's strategic goals. However, near the end of the reporting period, on March 26, 2002, the premier announced a major restructuring of government. This restructuring would result in a new department, Saskatchewan Industry and Resources, through the merger of the existing department with Saskatchewan Energy and Mines. Regulations for the new department would take effect April 1, 2002, the start of the next fiscal year. As such, this is the last annual report of Saskatchewan Economic and Co-operative Development.

During the fiscal year, the department unveiled *Partnership for Prosperity: Success in the New Economy*. The province's new five-year economic strategy was the result of months of consultation with business, co-operative and community organizations as well as the general public, and reflected the input of more than 10,000 Saskatchewan people. The strategy contains 16 targets for economic success, setting the stage for increased diversification, a more competitive business climate and a greater emphasis on innovation and technology.

Investment attraction was accorded a higher priority during the fiscal year when the premier established the Investment Attraction Council. The council, consisting of senior ministers and officials, is charged with encouraging new private-sector investment, from within and outside Saskatchewan's borders, and to ensure that government acts in a responsive and timely fashion to projects that will build the provincial economy.

In May of the reporting period, the department unveiled CommunityNet, the province's new $71-million broadband telecommunications network. CommunityNet will extend high-speed network and Internet access to public institutions in 366 communities by 2004. CommunityNet is a cross-government initiative co-ordinated by the Information Technology Office and delivered to communities through SaskTel and the Saskatchewan Communications Network (SCN).

Another major department initiative was a plan to grow a vibrant ethanol industry in the province. The department released the Greenprint for Ethanol Production in Saskatchewan. The strategy outlined a number of key actions to build the industry, including effectively eliminating the provincial fuel tax on ethanol produced and consumed in Saskatchewan by way of a rebate. The Legislative Assembly would consider legislation in its spring sitting that would ultimately permit the mandating of ethanol-blended gasoline to be sold in the province.

The province's forest industry continued to grow, and was on track to meet the major jobs and investment targets set in 1999 by the industry and government. To help the industry take its next step in international competitiveness, the provincial and federal governments announced the establishment of the Saskatchewan Forest Centre in Prince Albert. The centre is charged with acquiring, creating and disseminating forest-related knowledge and ensuring that the industry has access to the best market research, new technologies and growth opportunities from across Canada and around the world. The two governments will contribute more than $14 million over five years to the operation of the centre.

Other department highlights in 2001-02 included:

- Assisting in the establishment of 24 new co-operatives, including three new generation co-operatives, and working with various co-operative central organizations to secure the Canadian Co-operative Association Congress for Saskatoon in 2005.

- making more than $2 million in commitments under the Canada-Saskatchewan Western Economic Partnership Agreement (WEPA) to projects that build the province's capacity for economic growth through innovation.

- providing more than $15 million in support under the Innovation and Science Fund to 25 projects, including the government's support of the Canadian Light Source (CLS) synchrotron, taking shape on the University of Saskatchewan campus.

- providing $3.9 million in support under the Strategic Investment Fund to research projects that will create new technologies, new products, new business opportunities and new economic activities.

- providing more than $3.4 million in loans to 495 businesses through the Small Business Loans Association Program, resulting in the creation or maintenance of more than 1,130 jobs, primarily in rural Saskatchewan.

- administering the Labour-sponsored Venture Capital Corporations (LSVCC) Program, under which national and provincial pool funds raised more than $22 million in venture capital and made 21 investments totalling more than $14 million in Saskatchewan companies.

- undertaking various information technology and government online projects, including several computer and Internet training programs through Saskatchewan libraries for groups such as Aboriginal and low-income people who currently have problems accessing information technology.

- launching *The Saskatchewan Dream*, a series of radio and television vignettes promoting Saskatchewan business success stories and involving private sector and media partners.

- developing the *Only in Saskatchewan* campaign, which invited the province's young people to share their career dreams and success stories through artwork, video submissions, Web site design or essay.

- co-ordinating another successful *Connectivity* conference, which brought together the province's major community economic development partners.

- participating in a new competitiveness report from KPMG Consulting on the costs of doing business in Canada, the United States and other countries. The report showed Saskatchewan locations to be near the top in terms of competitiveness.

- continuing to advance the government's regulatory reform targets of eliminating duplicate and redundant regulations and ensuring periodic reviews to ensure relevancy of current regulations.

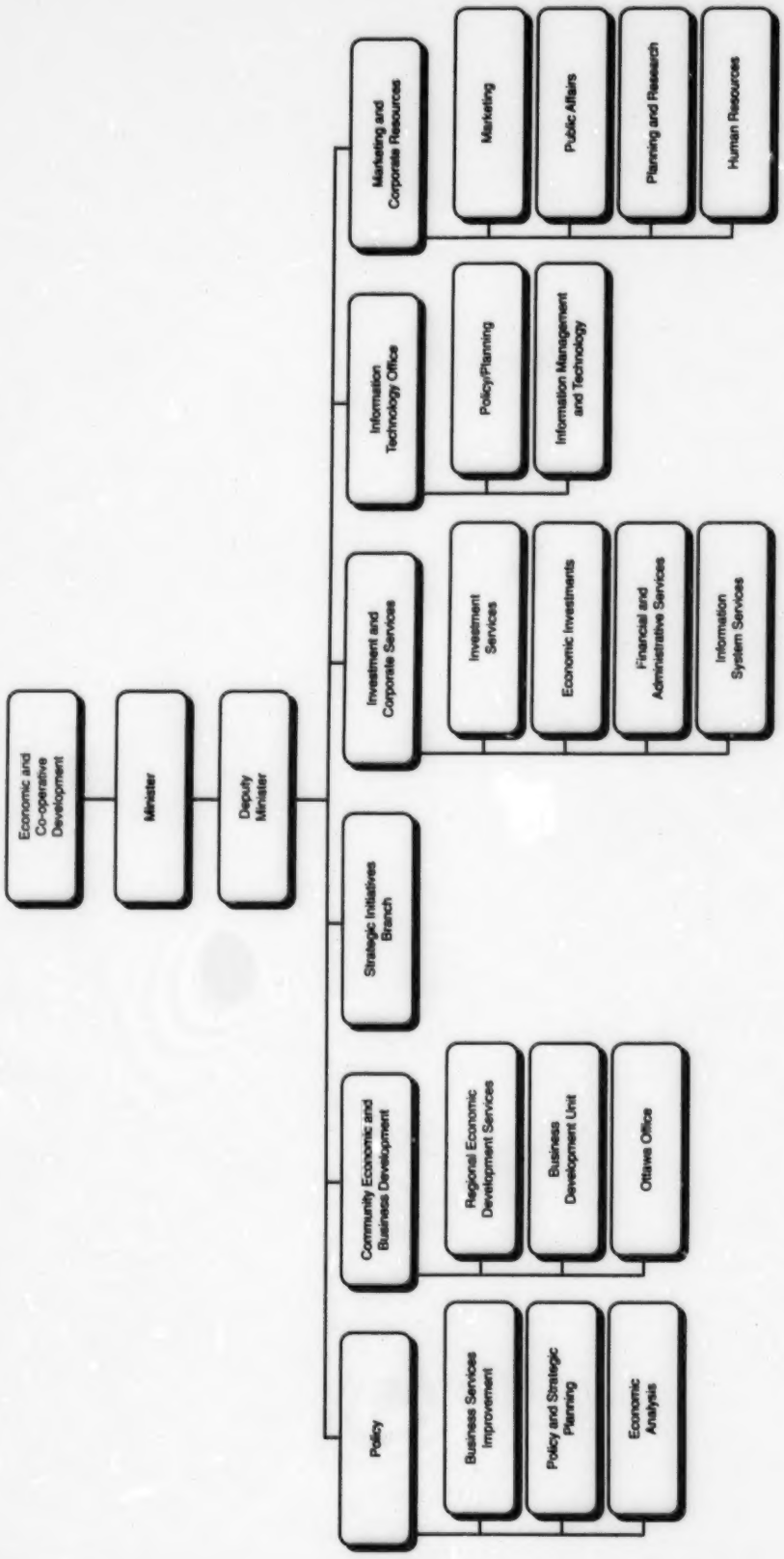
2002-03 Objectives

- Increase research and development and technology commercialization.
- Increase the adoption of new technologies and industry "best practices."
- Increase Aboriginal peoples' economic opportunities and participation.
- Increase employment in Saskatchewan's priority economic sectors.
- Contribute to building stronger community and regional economies.
- Facilitate business and co-operative growth.
- Decrease regulatory barriers to economic and business growth.
- Improve access to capital for business.
- Increase entrepreneurship, through increased promotion, collaboration with other economic partners, and various communications activities aimed at young people.
- Facilitate accurate and timely reporting of government-wide economic activity within government.
- Improve the perception within the province that Saskatchewan is a place of opportunity.
- Foster a positive awareness of Saskatchewan outside the province.
- Build awareness of departmental accomplishments.
- Ensure the department has an effective organization to serve its clients.

Mission Statement

To grow and diversify the Saskatchewan economy by building on our existing strengths.

Internal Organizational Chart as of March 31, 2001



Organization by Function

The department entered the 2001-02 fiscal year with an organizational structure designed to support key economic sectors and provincial economic directions. The structure, which remained unchanged during the fiscal year, also supported delivery of the new provincial economic strategy and overall departmental strategic planning. Four divisions, one branch and one central office reported directly to the deputy minister.

As noted elsewhere in this report, government restructuring in late March would result in creation of a new Industry and Resources Department, charged with the additional responsibility of spurring development of the province's resource sector. The regulations establishing the new department would take effect April 1, 2002. The new organizational structure will be displayed in the first annual report (2002-03) of Saskatchewan Industry and Resources.

Policy Division

The division provides services and information in policy and program development, economic information production and presentation, inter-agency and interdepartmental relations, and monitoring and co-ordinating key provincial and departmental issues. The division's major responsibility was delivery of Saskatchewan's new economic strategy, *Partnership for Prosperity*, which involved considerable cross-functional work with other departments and agencies and liaison with the government's economic stakeholders.

Community Economic and Business Development Division

This division is responsible for the delivery of department programs and services that encourage the growth of businesses and co-operatives. The structures of its two branches, Regional Economic Development Services and the Business Development Unit, remained unchanged. During the reporting period, the department closed the Saskatchewan Business Development Office in Ottawa as part of a refocusing of internal resources to maximize the department's investment attraction efforts.

Strategic Initiatives Branch

The branch deals with high-priority economic projects in key sectors that require highly focused activity and negotiations with senior government and industry representatives. Examples of such projects were work on the development of a provincial ethanol strategy, establishment of the Saskatchewan Forest Centre, and encouragement of research and supplier capacity around the synchrotron.

Investment and Corporate Services Division

This division co-ordinates the work of most of the department's service areas. During 2001-02 it consisted of four branches: Investment Services, Economic Investments, Financial and Administrative Services and Information Systems Services.

Information Technology Office

The Information Technology Office (ITO) establishes and co-ordinates policies and programs that use information technology to enhance public access, strengthen the government's ability to undertake electronic service delivery, and enable electronic commerce throughout the province. The ITO works with government departments and agencies to create enterprise-wide services and standards to optimize both the efficiency and effectiveness of executive government expenditures on information technology. The Government On-line Fund and CommunityNet initiative were two major program thrusts of the ITO during the fiscal year.

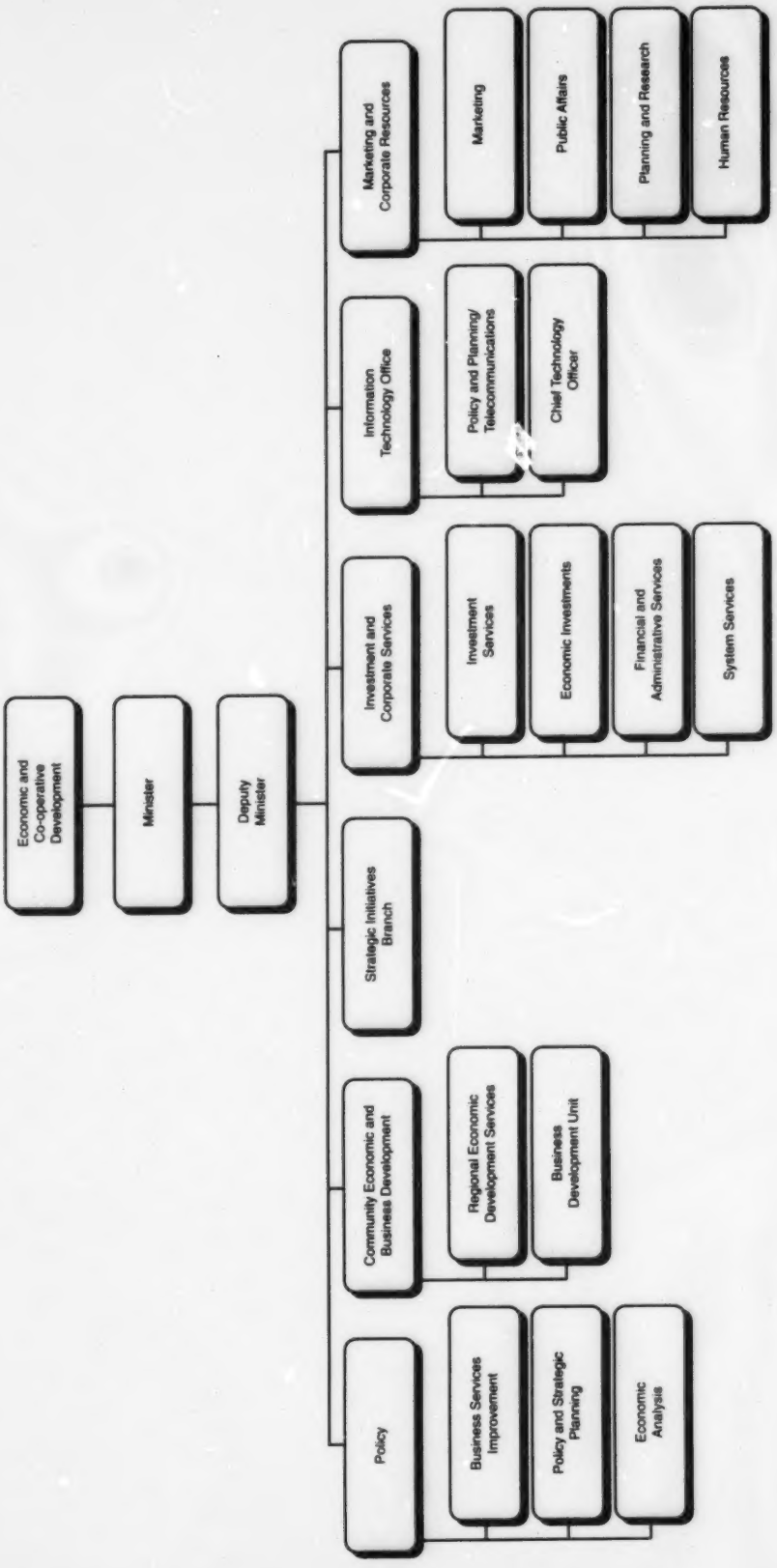
Marketing and Corporate Resources Division

This division provides strategic communications and human resource management services for the department. During the reporting period, the division consisted of Marketing, Public Affairs and Human Resources Branches as well as a small Planning and Research Branch that had primary responsibility for co-ordinating departmental strategic planning.

Other Organizations Funded Through the Department Vote

The provincial government provides funding for other government-related economic development activities through the department's budget vote. In 2001-02, government and government-industry agencies receiving funds through this vote included: Saskatchewan Opportunities Corporation (SOCO), Tourism Saskatchewan, the Office of Northern Affairs and the Saskatchewan Trade and Export Partnership (STEP). The amounts provided to these agencies are noted under the Financial Report contained in this document.

Internal Organizational Chart as of March 31, 2002



Policy Division

The role of the Policy Division is to provide policy and program development and economic research and analysis, co-ordinate the development and implementation of economic strategies, and lead the province's regulatory reform initiative.

In 2001-02, the division consisted of three branches: Economic Analysis, Policy and Strategic Planning, and Business Services Improvement.

Services and Activities
The Policy Division provides services and information in the following main categories:

- policy and program development;
- economic information production and presentation;
- inter-agency and interdepartmental relations;
- federal-provincial relations; and
- monitoring and co-ordination of key provincial and departmental issues.

Policy and Program Development

Co-ordinating the development of a new provincial economic strategy – *Partnership for Prosperity* – was a primary focus of the division during the reporting period.

The *Partnership for Prosperity* strategy grew out of previous generations of provincial economic strategies: *Partnership for Renewal* in 1992 and *Partnership for Growth* in 1996. Extensive consultations were held with the public and provincial stakeholders and from these consultations, a number of goals, priorities and targets were developed.

The economic strategy contains measures to address a variety of economic targets including: increasing jobs and attaining higher youth and Aboriginal employment rates, increasing the proportion of working-aged people with some post-secondary education or higher, increasing personal disposable income, establishment of more businesses and co-operatives, increasing the number of businesses and families accessing the Internet, increasing agri-value processed products, becoming a world leader in research and development complementing Saskatchewan's unique resources, and increasing tourism and non-traditional exports. Businesses, labour, communities, all levels of government and the general public provided input and contributed to the establishment of the *Partnership for Prosperity* targets.

The Policy Division participated with Saskatchewan Intergovernmental and Aboriginal Affairs and other departments to prepare the *Strategy for Métis and Off-Reserve First Nations People (Framework for Co-operation)*, which seeks to reduce social and economic gaps between Aboriginal and non-Aboriginal people. The division also worked with the Federation of Saskatchewan Indian Nations and Métis Nation of Saskatchewan, as well as officials of the federal government, to identify opportunities to meet the provincial challenge of ensuring full participation by all people in a growing economy.

Officials gathered business views and exchanged perspectives on policy issues for economic development. Staff of the division co-ordinated preparation of briefing material for meetings with industry organizations and associations to identify and discuss opportunities to increase economic growth and the competitiveness of Saskatchewan's key sectors.

Officials also participated in a number of interdepartmental analyses of issues affecting economic development policy.

Branch staff worked with Tourism Saskatchewan to develop long-term plans for the tourism industry. Officials also collaborated with the Office of Northern Affairs on issues related to northern development in Saskatchewan.

Policy Division staff also worked with the Department of Post-Secondary Education and Skills Training to develop a framework and guidelines for future government investments in research and development.

Economic Information Production and Presentation

The division provided economic information and assessment to support departmental decision-making. Staff prepared monthly labour force reports, reports on economic indicators and forecasts, and a variety of other analyses on

specific aspects of the economy and labour market. Staff also completed the analysis of economic trends in support of the economic strategy.

Division staff worked with Post-Secondary Education and Skills Training to prepare information on the Saskatchewan economy and labour market and make projections of employment trends. Staff also responded to requests for economic information from other government agencies and the general public.

Policy arranged for Saskatchewan to participate with other levels of government in an update to KPMG Consulting's 1999 study comparing the costs of doing business in Canada, the United States and other countries. KPMG released the report in January 2002, which showed Saskatchewan locations to be near the top in terms of competitiveness. The department is using the report to promote Saskatchewan as a location for new business investment. KPMG's competitiveness model is also being used to carry out more specific and customized analyses of Saskatchewan's business costs relative to other jurisdictions.

During the year, the division, along with the Regional Economic Development Services Branch, continued to explore the development of a set of consistent, electronic-based community and regional profiles incorporating map-based information using Geographic Information Systems (GIS). The information would be of assistance for investment attraction, business development and retention, and opportunity identification.

Current timelines call for a system developer to be chosen through the Request for Proposal (RFP) process in early 2002-03, with the pilot project to be operational in the Fall of 2002, and provincewide roll-out completed by April 2003.

Federal-Provincial Relations

The Policy Division works with federal departments and other provinces to identify and advance the economic development of Saskatchewan, and also participates in a number of federal-provincial working groups in such areas as small business, innovation, investment and labour market information.

Division officials continued work with their federal, provincial and territorial counterparts in support of innovation and commercialization of research in the west through the Senior Officials Group on Innovation. Co-ordination began at the deputy minister and assistant deputy minister levels of economic development efforts across the west.

During the year, work continued with the Office of Northern Affairs, Saskatchewan Intergovernmental and Aboriginal Affairs, and Executive Council on a federal-provincial agreement on northern development.

Division staff worked with the Investment and Corporate Services Division on the development of a new federal-provincial funding mechanism to replace the Canada-Saskatchewan Western Economic Partnership Agreement (WEPA), which is expiring March 31, 2002.

Policy Division staff co-ordinated the department's input into the 2001 Western and Annual Premiers' Conferences and preparations for meetings of federal-provincial-territorial ministers and deputy ministers responsible for industry, science and technology, and tourism. The division is also responsible for the department's preparations for meetings of western economic development ministers (the 2001 meeting was postponed due to other commitments by the ministers).

The division continued to represent Saskatchewan on the Working Group on Investment (WGI), established under the Agreement on Internal Trade (AIT). The group pursued its responsibilities as required by the Investment Chapter of the AIT, and completed refinements to its proposals for clarifying and improving the Code of Conduct on Incentives. The proposals were referred to internal trade ministers.

Monitoring and Co-ordination of Key Provincial and Departmental Issues

Regulatory Reform and Addressing Business Irritants

The 2001-02 fiscal year marks the sixth year since the Regulatory Reform Initiative commenced activities under its 10-year mandate. The primary objective of the initiative continues to be to achieve better regulation by making it easier and less costly for business and others who have to comply with government regulations, without compromising environmental protection and public safety. The aim is to create a pro-growth regulatory environment in the province.

The Business Services Improvement Branch continued to monitor the number of regulations on the books in the province. As of March 31, 2002, there were 153 fewer regulations than at the start of the initiative in May 1996, representing a 19 per cent reduction.

Regulatory reduction is closely tied to the concept of regulatory review. Government officials continue to review a wide array of regulations, often leading to consolidation of regulations and streamlining of the regulatory environment, as well as repeal of outdated or unnecessary regulations. As of March 31, 2002, there remained to be reviewed approximately 210, or 26 per cent, of the regulations that existed in May 1996.

The Business Services Improvement Branch continued to promote the use, within government, of the Principles of Good Regulation and the Regulatory Review Guide. The principles were developed in 1999 as a guide for officials in their review of existing regulations, as well as in the development of new regulations or amendments. Departments and other regulators applied the principles in their 2001-02 reviews and are filing the Regulatory Review Guide as their reports on those reviews.

The branch also continued to scrutinize a large number of new regulations being introduced by departments and Crown corporations.

Throughout 2001-02, the branch continued to work with Regional Economic Development Authorities (REDAs), chambers of commerce, industry associations, government departments, Crown corporations and agencies to identify and resolve red tape and paper burden irritants that affect small- and medium-sized business.

In this regard, the branch initiated and completed the following activities during 2001-02:

- Continued to consult with government departments, Crown corporations and agencies to develop intra-governmental liaisons to assist the branch in achieving its objectives.

- Worked with Saskatchewan Agriculture and Food to gather business issues from across rural Saskatchewan via its Rural Service Centre network.

- Contacted over 100 Saskatchewan industry associations to discuss red tape and paper burden concerns unique to the various sectors of Saskatchewan business.

Industry associations, REDAs, government departments, Crown corporations and agencies responded positively to the branch's efforts to identify and reduce red tape and paper burden irritants for business. The branch made more than 25 presentations to business groups and industry associations throughout the fiscal year.

The branch continued to act as a resource for business through provision of articles and additional information on its work for industry publications. Articles and information were also provided for internal provincial government publications.

In the 2001-02 fiscal year, the branch continued its red tape awareness efforts by:

- identifying and resolving a wide variety of red tape and paper burden irritants across the province;

- sending a message across the province and within government departments and Crown corporations that the branch is available to help businesses deal with red tape and paper burden irritants;

- increasing the branch's visibility and credibility across the province and within government departments, Crown corporations and agencies;

- demonstrating to businesses that government is prepared to address the regulatory concerns of small- and medium-sized business;

- building partnerships with REDAs, chambers of commerce, industry associations, and government departments, Crown corporations and agencies; and

- positioning the branch as a point of contact for business with government red tape and paper burden concerns.

The nature and extent of business irritants were as varied as concerns relating to the development and registration of a day-care centre to concerns about the applicability of the Provincial Sales Tax to window washing equipment.

The branch continued to develop and update its popular series of informational bulletins designed to assist with business start-up. The bulletins were developed in partnership with other government departments, Crown corporations and agencies. The bulletins outline the provincial regulatory requirements, including a government contact person and telephone number for the specific line of business.

The information bulletins continued to be posted on the department's Web site, with links to the Canada-Saskatchewan Business Service Centre. The bulletins are also available through the department's regional offices, REDAs and Community Futures Development Corporations.

The branch developed a red tape survey this year and placed the survey on the department's Web site. Respondents have outlined a variety of regulatory and red tape concerns, all of which are addressed in a timely manner by branch officials.

The branch continued to work with the Electrical Contractors Association of Saskatchewan and other stakeholders to address regulatory issues that affect the licensing and inspection of electrical work. During 2001-02, the branch undertook a number of activities related to red tape and regulatory impediments in rural Saskatchewan. These endeavours complemented the work of the Action Committee on the Rural Economy and that committee's recommendations.

2002-03 Division Objectives

- Provide economic information, analysis and advice in support of departmental objectives and priorities, particularly those relating to investment prospecting, competitiveness, community and business development, and which support measurement of departmental and provincial successes in achieving stated goals.

- Complete development of the pilot project for the Community and Regional Profiles, and extend this GIS system provincewide by the end of the 2002-03 fiscal year.

- Continue implementation of *Partnership for Prosperity*, co-ordinating related strategic activities and building on sectoral opportunities based on Saskatchewan competitive and comparative advantages.

- Undertake strategies and activities supporting economic development and job creation.

- Negotiate and implement federal-provincial economic initiatives that provide mutual benefits and emphasize co-ordination and partnership.

- Advance and participate in collaborative approaches in economic development with other departments, agencies, governments, the business community and economic stakeholders, particularly in policy areas relating to community and regional economic development, taxation, transportation, research and development, Aboriginal economic development and investment attraction.

- Work with the federal government, educational institutions, the private sector and within the provincial government to describe provincial strengths in order to advance Saskatchewan as a centre for research excellence in key sectors, as well as focus Saskatchewan's overall research and development activity leading to innovation and commercialization of research.

- Work with partners in provincial, local and federal bodies to develop strategies for the promotion of Saskatchewan as a preferred place to live, work, visit and invest.

2002-03 Objectives – Competitiveness Branch
At the conclusion of the 2001-02 fiscal year, the Business Services Improvement Branch was reorganized as the Competitiveness Branch. During 2002-03, the branch will continue to:

- ensure that all provincial departments and Crown corporations review their regulations within the established timeframe of the Regulatory Reform Initiative;

- monitor changes in the number of regulations; and

- identify redundant regulations for inclusion in Omnibus repeals.

As part of the refocus of its activities, the new Competitiveness Branch will also work to identify and address systemic and regulatory barriers to economic growth in the province.

For more information, contact:
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Saskatchewan Industry and Resources
2103 – 11th Avenue
Regina, SK S4P 3V7

Telephone: (306) 787-6717
Facsimile: (306) 787-2198

Community Economic and Business Development Division

The Community Economic and Business Development Division is responsible for the delivery of department programs and services that encourage the growth of businesses and co-operatives. It accomplishes this through two branches or units:

- the Regional Economic Development Services Branch, which comprises eight regional offices and one central office and provides development and support services to businesses, co-operatives and regional economic development authorities (REDAs); and

- the Business Development Unit, which works with growth firms and sectors, and helps co-ordinate government investment attraction initiatives.

During the fiscal year, the department closed the Saskatchewan Business Development Office in Ottawa to allow a more focused and sector-specific approach to investment attraction.

Regional Economic Development Services Branch

The Regional Economic Development Services Branch provides business and co-operative development support through assessment, information, pathfinding and referral services. The branch encourages job creation in Saskatchewan's business community by co-ordinating and delivering a comprehensive small business support system in partnership with the public and private sectors. The branch also works with community leaders to support and strengthen community economic development in the province.

Services are delivered through eight regional offices located in Estevan, Moose Jaw, North Battleford, Prince Albert, Regina, Saskatoon, Swift Current and Yorkton.

During the fiscal year, the branch was responsible for:

- providing and managing services for business development, co-operative development and community economic development;

- assessing the needs of value-added client business and matching those needs with suppliers of business programs and services;

- supporting the development of Regional Economic Development Authorities (REDAs) and assisting them in increasing their service capacity;

- supporting the development of Neighbourhood Development Organizations (NDOs) and assisting them in developing services and infrastructure in the inner cities;

- undertaking co-operative sector relations and liaison, co-operative development and diversification projects, co-operative models for community development and community economic development, and monitoring the legislative and regulatory environment affecting co-operatives; and

- supporting the Canada-Saskatchewan Business Service Centre (CSBSC), a federal-provincial partnership, in its efforts to provide a "single window" information service to Saskatchewan businesses.

Branch achievements are grouped into six categories: information and services, small and medium enterprises, partnerships, regional economic development authorities, neighbourhood development organizations, and co-operative and community economic development.

Information and Services

One of the branch's goals is to ensure that information, assessment and pathfinding services are provided to support small business and co-operative development in the province.

During 2001-02, the branch handled 12,229 requests for business and co-operative information and assistance. It also continued to develop, update and distribute small business information, directories and databases. These include a series of 84 business and co-operative "how to" resource material handouts, 48 Kinds-of-Business resources, a cash flow planning model, the *Directory of Business Associations*, the *Growing from Within* video, regional services brochure,

New Generation Co-operatives Development Guide and brochure, *Co-operative Directors Handbook* and a resource listing of *Enterprise Centres in Saskatchewan.*

The branch, along with the department's Policy Division, continued to explore the development of a set of consistent, electronic-based community and regional profiles incorporating map-based information using Geographic Information Systems (GIS). This information is intended for investment attraction, business development and retention and opportunity identification.

A consortium consisting of representatives from seven REDAs, three Community Futures Development Corporations (CFDCs), and Economic and Co-operative Development was established in August to move the project forward. A steering committee was formed and is co-chaired by the Moose Jaw REDA and the department. This steering committee is overseeing the development of the profiles as a pilot project for the southeast corner of the province. Once the concept is proven, the profiles will be expanded provincewide.

Small and Medium Enterprises

Another major branch activity is working with value-added small and medium enterprises (SMEs), ranking them in terms of growth potential and providing assistance as required. Each regional office is responsible for a specific area of the province. During the fiscal year, regional staff maintained regular contact with local businesses, helped identify firms with growth potential, and assessed their needs to determine what help they required from the department or other sources.

Partnerships

The branch works to identify partners and assist them in leveraging resources and pursuing opportunities that enhance wealth and job creation. The branch encourages partners to provide business training and education, and to assist in the development of economic development groups and REDAs.

A "single window" approach to business information depends on partnerships with other agencies involved in economic development. An infrastructure of such agencies has been developed and includes provincial and federal departments, business associations, REDAs and various community economic development organizations, selected chambers of commerce, banks and credit unions. There are more than 250 of these partnership arrangements, with partners acting as distribution points for small business information.

Working with partner organizations, branch staff provided resources and expertise to various training programs, such as seminars and classroom instruction on starting a business and cash flow model training. Staff served on a number of boards and committees for youth entrepreneurship, business development and training initiatives. These initiatives included the Internship Program (expanded from the University of Saskatchewan to also include the University of Regina and the Saskatchewan Institute of Applied Science & Technology), Regina Mentor Program, Raj Manek Mentorship Program, Saskatoon Junior Chamber of Commerce, Swift Current Business Retention and Expansion Program, and the Manufacturers' Marketplace project, to name a few. Staff also helped in the development of business enterprise centres, including the co-location of department offices within those centres.

Canada-Saskatchewan Business Service Centre

One of the branch's main partnership activities is the eight-year-old Canada-Saskatchewan Business Service Centre (CSBSC), jointly funded and managed by the department and the federal government. The Saskatoon-based centre supports Saskatchewan business development and entrepreneurial processes. As the hub of the "single window" network, the centre provides user-friendly information to aid business decisions and information on government programs and services.

The centre handled nearly 168,000 electronic and personal inquiries, including close to 150,000 Internet visits (a visit being defined as a series of requests made within a 30-minute time period). Approximately 545,000 requests for information (Internet visits less than 30 minutes in duration) were received from the Web site. Over 1,000 contacts were made during promotional efforts and trade shows, and through presentations and tours of the CSBSC. Activity on behalf of federal and provincial partners was close to 9,000 interactions, including referrals and publication distribution.

During the reporting period, the CSBSC continued to support its regionalization initiative. Regionalization involves the extension of comprehensive access to government and business

information through a network of regional access partners, in order to make information and walk-in services readily available to smaller communities throughout Saskatchewan.

The CSBSC has expanded its services to rural Saskatchewan by providing enhanced access to a core collection of information products (hardcopy and electronic) to 16 regional "access" sites in Saskatchewan. Each regional access site in the province received information, resources and training from the CSBSC to enhance its services in assisting business clients.

The 16 regional sites include locations in Regina, Swift Current, Tisdale, Bruno, Yorkton, Meadow Lake, La Ronge, Outlook, Assiniboia, Broadview, Kindersley, Prince Albert, North Battleford, Estevan, Weyburn and Gravelbourg.

The delivery mechanism for electronic materials is an Extranet site, known as R.E.A.C.H. (Regional Economic Access and Community Help).

Work continued on the development of the Aboriginal Business Service Network (ABSN). This initiative is intended to build on the structure of existing business service centres located across the country that provide free-of-charge access to information on business programs, services and regulations. These resources are to be tailored to meet the unique requirements of Aboriginal clients.

The ABSN initiative is designed to enhance the development of Aboriginal businesses by increasing the availability of business-related information for Aboriginal entrepreneurs. The increased availability of business information, provided through Aboriginal organizations in partnership with the CSBSC, could lead to an increased level of comfort for Aboriginal clients in accessing this information, and ultimately to an increased level of business development and entrepreneurship.

This year the CSBSC, along with the department's Saskatoon regional office, relocated their offices to the Saskatoon Region Enterprise Centre at 345 - 3rd Avenue South, Saskatoon, to join six other business and economic development organizations. The other co-location partners include the Saskatoon and District Chamber of Commerce, the Saskatoon Regional Economic Development Authority, The Partnership, the Provincial Exporters Association, the Canadian Youth Business Foundation and Leadership Saskatoon. This co-location partnership offers business development services under one roof, improving efficiency in the development and delivery of business and co-operative services to Saskatoon and surrounding area.

Regional Enterprise Centres

The branch provides ongoing support to the development of regional business enterprise centres, including co-locations in centres where there are regional offices of the department. These "single window" centres are being developed as a means to co-ordinate services to assist entrepreneurship and small business development in communities or regions to help their economies grow and create jobs.

These initiatives are examples of innovative partnerships among local, regional, provincial and federal organizations. They are excellent examples of the current focus on grassroots economic development at the regional level and have been developed in conjunction with REDAs.

Regional enterprise centres in the province provide assistance to people starting or expanding small business. Partner organizations include REDAs, federal Community Futures Development Corporations, department regional offices, chambers of commerce, Western Economic Diversification, Women Entrepreneurs of Saskatchewan and tribal councils. The centres are also regional access partner sites of the CSBSC. Centres have been established in Estevan, North Battleford, Regina, Swift Current, Yorkton, Saskatoon and Moose Jaw. Enhancement of a partnership co-location in Prince Albert is under consideration. Several centres are also operating in rural Saskatchewan and are partnerships between REDAs and local communities.

Regional Economic Development Authorities (REDAs)

The REDA initiative was introduced in 1993 as a key government economic development initiative.

REDAs offer a co-ordinated, co-operative approach to provincial economic development. Membership consists of communities, rural municipalities, businesses, co-operatives, and First Nations. Partners pool their resources to support job and wealth creation within their regions. At the end of 2001-02, 28 REDAs were operating in Saskatchewan.

The branch offers a range of organizational and professional services to REDAs, including services that increase their economic development capacity.

During the year, the branch provided a number of REDA resources and training tools including:

- matching grant funding to the province's 28 REDAs, totalling $1,491,292.

- the REDA Enhancement Fund for projects that strengthen regional infrastructure and build economic development capacity. In 2001-02, 15 REDAs received $295,301 of matching grant funding for 30 projects. In addition, funding was provided to eight REDAs that partnered with one or more REDAs to undertake projects. Four projects received $76,075 in funding through this partnership initiative.

- the REDA Youth Employment Initiative, resulting in term employment on business projects for 16 youth in 15 REDAs. Total program funding for 2001-02 was $123,232.

- the REDA Board Governance Training resources on the roles and responsibilities of board members in community economic development, which continued to be provided for training of new board members.

- assistance in the maintenance of the certification of participants of Business Retention and Expansion International (BREI).

A highlight of the year was the *Connectivity* conference held February 20-22, coinciding with *REDA Week in Saskatchewan*. The conference was hosted jointly by the Saskatchewan Economic Developers Association (SEDA), Community Futures Development Corporations (CFDCs), the Federation of Saskatchewan Indian Nations, Communications Canada and the department. All 28 REDAs were represented. Feedback indicated a successful conference with recommendations for continued collaboration and partnership.

REDA Activities in 2001-02

REDAs provided a variety of services to businesses and communities in their regions. REDAs also undertook economic development initiatives with the ongoing assistance of branch staff. Services are typically grouped into seven categories:

Co-ordination Services
REDAs co-ordinate the activities of various organizations within regions in order to achieve collaboration and synergy while reducing duplication. Examples include:

- co-ordination with partner groups to deliver economic development services and training and form regional enterprise centres;

- regional marketing initiatives, such as developing Web pages, profiles, brochures and tourism activities for member communities and regions;

- regional fundraising and letter-writing campaigns;

- trade shows, conferences, community events and various business promotions including business awards events;

- projects such as intensive livestock operations, forestry, ethanol, housing, grain terminals/ elevator closures, employment services, area transportation, air services, regional waste and Internet access, with partners and community groups;

- regional business retention programs; and

- funding applications, proposals and feasibility studies for regional project work.

Organizational Development and Planning Services
REDAs help increase the capacity of economic development organizations within their areas. Examples include:

- participating in the Youth Employment Program, through which 15 REDAs hired 16 youth on work terms.

- planning and preparing for regular board and annual meetings, strategic planning sessions and joint REDA meetings, recruiting membership, formulating membership fees, soliciting private-sector funding and supporting and establishing satellite offices and economic development committees in member communities.

- partnering/co-locating with other economic development agencies to form enterprise centres.

- undertaking community/regional planning initiatives such as community services inventories, business retention and expansion initiatives, and development of community/regional profiles.

- developing and maintaining service contracts with member agencies.

Education and Training Services
REDAs ensure the presence of educational services to meet the needs of the regional business and economic development communities by:

- developing training needs assessments on a regional basis. For example, based on a regional needs assessment, develop and deliver specific workplace training, under contract with a regional college, to address labour shortages within a region.

- assisting companies to source local employees and developing training programs to maximize Aboriginal employment.

- hosting and delivering training initiatives and seminars on such topics as project management, self-employment and entrepreneurship (often focusing on youth), business development, marketing, patenting, e-commerce, tourism and customer service, assessing business opportunities, diversifying farm incomes and water treatment training. These initiatives are often in partnership or on a contract basis with organizations like the Saskatchewan Economic Developers Association, Saskatchewan Tourism Education Council, Women Entrepreneurs of Saskatchewan, Human Resources Development Canada, regional colleges and Community Futures Development Corporations.

- enabling participation of board members and staff in training opportunities, from organizations such as the Saskatchewan Economic Developers Association, Economic Developers Association of Canada and University of Waterloo Economic Development Officer training.

Information Services
REDAs work to ensure entrepreneurs, businesses and other groups can access the information they require. Examples include:

- developing and maintaining resource libraries including print/electronic and audio/visual materials as well as Internet access. Many REDAs have partnered with other economic development service providers to form enterprise centres and regionalization sites of the CSBSC.

- developing resources such as a directory of mentorship, business plan development, and financing services available within a region.

- developing and maintaining Web sites, as well as administering and co-ordinating Community Access Program sites (public Internet access).

- developing and publishing regional demographic information, business listings, brochures, profiles, pamphlets and newsletters.

- gathering and distributing information regarding ethanol production.

- organizing, promoting, and participating in conferences relating to agribusiness and rural opportunities.

- participating (several REDAs) in the Regional/ Community Profiles GIS Pilot Project in partnership with the department and Community Futures Development Corporations.

Research and Development Services
REDAs identify economic development and business opportunities within their regions by:

- researching and developing initiatives on a regional basis, such as value-added agriculture and processing, ethanol, industry development and business retention, water supply and waste handling, area transportation, short line railways, housing shortages and tourism projects.

- providing research and development services to individual clients.

- conducting consumer market, labour market and training research, preparing feasibility and market opportunity studies and developing regional needs assessments.

- developing and maintaining databases of regional businesses/industry.

- working in partnership with other REDAs to undertake research and development on initiatives such as industrial trade corridors, tourism strategies and area opportunity studies.

Promotion and Marketing Services
REDAs promote their regions for investment attraction and business retention purposes by:

- preparing for announcements and grand openings, developing videos and presentations for marketing and soliciting new members.

- maintaining Web sites of communities, services, attractions and demographics.

- promoting regional tourism.

- developing 'brands' and 'logos'.

- promoting local/regional businesses through events, such as business awards and shop locally initiatives, as well as participating in and sponsoring trade shows (locally and out-of-province).

- participating in economic development organizations, such as the Saskatchewan Economic Developers Association, Saskatchewan Council for Community Development, Women Entrepreneurs of Saskatchewan and tourism organizations.

Project Management Services
REDAs manage and implement specific regional projects and initiatives. Examples include:

- providing administration services, developing surveys and feasibility studies for groups such as forestry plans and marketing/feasibility studies, investment attraction, database development, tourism/agri-business/ethanol projects, training workshops, housing projects and transportation studies.

- accessing funding through the REDA Partnership Initiative, for the undertaking of joint initiatives and projects by two or more REDAs. Examples include feasibility studies, feedlot and intensive hog operation projects, tourism projects, investment/skilled worker attraction, and online business resources through a virtual network.

Neighbourhood Development Organizations (NDOs)

In August 1998, the Government of Saskatchewan launched the Neighbourhood Development Organization (NDO) program. The program provides organizational development assistance and funding to support the development and operation of multi-purpose organizations by the residents of low-income neighbourhoods, to undertake community economic development activities to address issues of poverty. The program is jointly co-ordinated by the Departments of Economic and Co-operative Development and Social Services.

There are currently five NDOs in Saskatchewan: Quint Development Corporation in Saskatoon, River Bank Development Corporation in Prince Albert, Community Action Co-operative Regina Ltd., Connecting As Neighbours in Moose Jaw, and The Battlefords Community Connections Inc. in North Battleford.

NDO Activities in 2001-02
The province's five NDOs received a total of $590,442 in provincial funding to support the operations of the NDOs, including the establishment of two new organizations in the cities of North Battleford and Moose Jaw, and to support the implementation of each NDO's community economic development strategy in its inner-city neighbourhoods.

The NDOs supported increased self-sufficiency of residents and the removal of financial and employment barriers by assisting in the establishment of housing, transportation and food co-operatives. Through educational and training opportunities, residents received knowledge and skills in food services, business start-up and management. By establishing worker co-operatives, they received skills training in the areas of carpentry and home renovations. Self-employment and employment were also encouraged and supported through a number of initiatives, including establishment of community loan funds, small business loans associations, a peer lending circle and community-owned business ventures.

Three organizations (Regina, Saskatoon and Prince Albert) participated in an outcomes-based program evaluation this year to evaluate three or four specific areas of NDO activities since start up in 1998. The final report was received in November 2001 and noted that the NDOs:

- established and maintained democratically elected boards, with members who live and/or work in their respective communities;

- increased self-reliance and participation in the community through the establishment of 16 co-operatives involving 327 member families;

- increased job opportunities for residents by supporting the establishment of 21 new businesses and three business expansions, by offering numerous specialized training courses ranging from life skills to business start-up and management, and by establishing community loan funds and small business loans associations;

- assisted over 130 families through the establishment of housing co-operatives, that save money through mortgage payments that are less than rent and through accumulation of home equity that will lead to home ownership after five years;

- trained over 225 residents on business start-up, with 55 people receiving advanced knowledge in business management; and

- trained 51 people in practical carpentry and renovation skills, 44 of whom gained paid work experience.

Copies of the report are available from the department.

Co-operative Development

The department's co-operative mandate is to promote and support the use of co-operative structures, principles and business practices to strengthen and enhance the province's economy and society. It is the basis for a partnership between the co-operative sector and the government under the lead of the department.

The department undertook a number of initiatives and projects aimed at supporting the growth of the established co-operative sector and supporting the development of new co-operative enterprise.

Activities were undertaken in six areas:

Co-operative Sector Relations and Liaison
Key activities focused on ensuring effective communication between the government and the co-operative sector on issues, programs and policies of mutual concern. Specific activity included:

- ongoing liaison with the co-operative sector through non-voting membership on the Canadian Co-operative Association (CCA) Saskatchewan Region Council.

- funding and support for a joint initiative with CCA to increase participation by First Nations and inner-city youth in its Co-operative Youth Program.

- maintaining liaison and support for the Centre for the Study of Co-operatives.

- co-ordination of the Government/Co-operative Sector Senior Official Working Committee and the Saskatchewan Wheat Pool/Government Deputy Ministers Meeting.

- an agreement in principle by the department with the Canadian Co-operative Association (CCA), Credit Union Central of Canada (CUCC), and Conseil Canadien de la Coopération to plan and host a joint conference in May 2005 as part of the province's centennial celebrations.

- ongoing liaison with federal, provincial and territorial officials responsible for co-operatives.

- partnership with the Conseil de la Co-opération de la Saskatchewan in supporting its annual economic summit.

Co-operative Development and Diversification Projects
The department continued to promote and support the co-operative sector in undertaking major expansion and supporting new co-operative activity. This included:

- liaison between Federated Co-operatives Limited and the government with respect to the planned expansion of Consumers' Co-operative Refinery Limited.

- continued support for the development of New Generation Co-operatives (NGCs) in the agri-value sector. This included the incorporation of three NGCs (total of six in province) and support for ten developing NGCs.

Development of New Co-operatives
In 2001-02, the department continued to increase support for promoting and developing new co-operatives. Co-operative development co-ordinators worked with more than 60 groups at various levels of development. Twenty-four new co-operatives were established.

The Co-operative Development Assistance Program provides funding to support developing and expanding co-operatives as they undertake organizational and business development activities. Five applicants were approved for total funding of $30,105.

Co-operative Models for Community Development and Community Economic Development
The department provided support to the Action Committee on the Rural Economy (ACRE) in adopting co-operative and community-based solutions for rural development.

The department continued to assist the Saskatchewan Council for Community Development (SCCD) by representation on the council, support for its projects and activities, and by providing a $5,000 operating grant.

Resource Materials, Research and Promotion
The department, in partnership with the Centre for the Study of Co-operatives, is in the final stages of preparing comprehensive resource material to promote the development of New Generation Co-operatives (NGCs). This material includes Choosing a Business Structure (developed by Saskatchewan Agriculture and Food), Taxation of NGCs, Developing a Producer Contract Guide, Feasibility Study Template, Business Plan Template, NGC Act Backgrounder, Incorporation Guides (including guides for developing Articles and Bylaws), Guide to Issuing Securities, Sources of Capital, and Guide to Regulatory Issues.

The department provided financial support to the Canadian Worker Co-operative Federation's annual meeting and conference scheduled for Guelph, Ontario, in November 2002.

Under the Co-operative Recognition Program, the department presented certificates to 61 co-operatives celebrating 25, 40, 50, 60, 75, 80 and 85 years of service to their communities.

Co-op Week was celebrated October 14-20. Activities included a flag-raising ceremony at the Legislature, a luncheon co-sponsored with the Regina Co-operative Council featuring the premier as guest speaker, and a meeting between the minister and the CCA Saskatchewan Region Council.

The highlight of Co-op Week was the Co-operative Merit Awards, an annual event co-sponsored with CCA that awarded seven individuals the Co-op Order of Merit for long and meritorious service to co-operative development in the province.

Monitoring the Legislative and Regulatory Environment Affecting Co-operatives
The department developed resource materials to enhance the understanding of both *The Co-operatives Act, 1996* and *The New Generation Co-operatives Act*. It also worked with the Co-operatives Securities Board, Saskatchewan Justice and representatives of the co-operative sector to review and develop recommendations on the membership, mandate and operation of the board.

2002-03 Branch Objectives

Build stronger communities and regional economies:

- Continue increasing the capacity of REDAs to undertake business development by providing services and resources, including new business development tools and training initiatives for all REDA boards and professional staff.
- Provide services and resources to support the capacity of the neighbourhood development organizations to undertake programming in inner-city neighbourhoods in Prince Albert, Saskatoon, Regina, North Battleford and Moose Jaw.

Facilitate business and co-operative growth and increase entrepreneurship:

- Ensure information, assessment and pathfinding services are provided to encourage and support business and co-operative development, retention and expansion.
- Promote the entrepreneurial option to the province's youth.
- Continue to support the Canada-Saskatchewan Business Service Centre, the federal-provincial "single window" information service to business, and the network of 16 CSBSC regional access partner sites.
- Increase Aboriginal peoples' economic opportunities and participation through the Aboriginal Business Service Network Initiative.
- Increase the adoption of new technologies and practices through communication to the business community of trends and opportunities for technological innovation and advanced business practices. Continue to develop a set of consistent, electronic-based community and regional profiles incorporating Geographic Information Systems (GIS).

- Increase employment in priority sectors by identifying, encouraging and assisting priority firms. Promote participation by Saskatchewan companies in trade and export activities.

- Continue to provide the department with intelligence on regional economic developments, issues and support services.

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Business Development Unit

The Business Development Unit works to enhance the growth and diversification of the manufacturing, processing and service exporting sectors of the economy. These sectors are considered to have the greatest potential to help the Saskatchewan economy create new sustainable jobs.

Staff are assigned to specific sub-sectors to try to maximize the potential for growth. The unit identifies areas for growth, expansion and investment, and participates with other partners in the development of industry-enhancing projects, related support infrastructure and innovative services for value-added and knowledge-based businesses and co-operatives. The unit is also active in provincial investment attraction initiatives.

The unit accomplishes its goals by:

- providing business counselling to local and out-of-province firms considering investment in Saskatchewan.

- providing the department and its business clients with specialized sectoral intelligence.

- working with other department branches and divisions and other departments, agencies and stakeholders to formulate and execute industrial sector development strategies.

- working with government, industry and academic partners to facilitate new research and development and support infrastructure.

- providing specialized pathfinding services to industry clients.

- providing management counselling to local firms on quality, productivity, marketing, strategic business planning, manufacturing best practices, new technology and innovative production techniques/processes.

- assisting companies to address their standardization needs/issues including meeting regulatory requirements of foreign markets and product certification schemes.

- working with federal and provincial governments to effectively deal with standardization issues to support trade.

- providing liaison and third-party mediation services between industry and other government departments/agencies to resolve issues affecting business growth and expansion.

2001-02 Achievements

Major achievements of the Business Development Unit are grouped under four categories: investment, infrastructure development, industrial development and client service.

Investment Attraction

Through the unit's investment attraction and procurement initiatives, various projects came to fruition during the year:

- Doepker Industries Ltd set up a new 50-employee manufacturing facility in Humboldt, the company's third Saskatchewan plant.

- Schulte Industries completed a planned 20-employee expansion to its Englefeld facility.

- CNH-Saskatoon expanded its product line with the addition of a row planter and an air seeder line, resulting in the addition of 300 employees.

- Agtron Enterprises of Saskatoon constructed a new 16,000-square-foot plant and added five new employees.

- Interest from companies doing site location analysis for large call centre operations was strong over the year, with the unit working closely with several United States-based companies.

- Several new firms established operations in the new technology area, including SemBioSys Genetics Inc., Phenomenome Discoveries and Pyxis Genomics Canada Inc.

- The unit worked with Saskatchewan Trade and Export Partnership (STEP) to organize Saskatchewan participation at the Team Canada West mission to Dallas and Los Angeles in November 2001.

- Centennial Food Corp. completed construction of its new meat processing plant in Saskatoon. The plant is anticipated to employ about 190 workers at full production.

Infrastructure Development
In this area, unit staff:

- articulated positions on standards issues at various national and international forums, and actively participated in the National Standards System through membership on various committees and working groups including serving as the Chair of the Provincial and Territorial Advisory Committee of the Standards Council of Canada.

- worked with the Saskatchewan Nutraceutical Network and University of Saskatchewan on a proposed Nutraceutical Centre of Excellence.

- worked with the Agri-Value Sub-Committee of the Action Committee on the Rural Economy (ACRE).

- worked with the Apparel and Textile Association of Saskatchewan (ATAS) to deliver training programs and technology to the industry.

- worked with the apparel industry and other government agencies organizing job fairs and projects to attract potential employees to the industry.

- worked with the agricultural implement manufacturers (PIMA) to deliver training programs on lean manufacturing to the industry.

- assisted in the development of WestTest's Euro Test Initiative, located at the Prairie Agricultural Machinery Institute.

- initiated a study of the plastics industry to identify industry competitiveness and needs, and barriers to growth. Completed consultation meetings with industry stakeholders.

- facilitated co-operation between an industry client and a Crown utility on utilization of wood residue for power generation.

- through representation on the facilities committee of the Saskatchewan Food Industry Development Centre, oversaw the construction of the new, federally inspected food-processing facility at the University of Saskatchewan. This facility will assist Saskatchewan food processors to commercialize new products.

- provided advice and guidance through membership on the board of directors to the Saskatchewan Food Processors Association to help it fulfil its objectives of developing the capabilities of the Saskatchewan food processing industry.

- worked with the Veterinary Infectious Diseases Organization (VIDO) in support of its planned $14-million expansion to its research facilities at the University of Saskatchewan.

- liaised with the University of Regina and the University of Saskatchewan to review and support strategic research priorities for the province.

- participated in various committees to support the development of training programs and initiatives in the area of life sciences and biotechnology.

Industrial Development
In the area of industrial development, the unit:

- completed a sector study of the information and communication technologies industry in partnership with the Saskatchewan Advanced Technology Association (SATA).

- promoted manufacturing best practices including lean manufacturing through a variety of initiatives and led the establishment of lean manufacturing consortiums in Saskatoon and Regina regions.

- chaired and provided co-ordination support to an industry/government corporate procurement committee, whose mandate is to develop quality, competitive Saskatchewan suppliers of goods and services. The products and/or services of over 20 companies were showcased to 19 of the province's largest corporate purchasers.

- planned, co-ordinated and delivered workshops in partnership with others on entrepreneurship and best practices, lean manufacturing and synchrotron-related technologies.

- co-ordinated a number of corporate missions including participation by 18 Saskatchewan companies to showcase their products at the Alberta Gift Show and gain education on product commercialization.

- worked with industry stakeholders to initiate activities to capture opportunities arriving from new technologies being developed by Saskatchewan's research institutions and industry in the area of biotechnology.

- assisted in the commercialization of new technologies developed at the University of Saskatchewan and the development of a number of new start-up companies.

- facilitated increased support of health research in Saskatchewan through work with representatives of the Canadian Institutes of Health Research, Genome Canada and Bio-Products Canada.

- worked with the National Research Council's Innovation Insights Program to identify companies in Saskatchewan that could take part in the program. Arranged site visits at the applicable companies.

- worked with SATA to facilitate the establishment of local industries capable of providing the Canadian Light Source with engineering, manufacturing, life-cycle support and client services.

- promoted Saskatchewan's emerging materials science research capabilities to various national and international companies, agencies and government organizations.

- worked with industry clients to facilitate benefits for them under the Provincial Nominee Program.

- re-negotiated the department's five-year, $2.4-million contract with TRLabs for the 2001-06 period.

Client Service
During the reporting period, unit staff:

- provided guidance and support to various industry associations in the province's key industry sectors, and advanced industry-related concerns and issues through government.

- worked with the National Research Council and ATAS to develop a retraining program for apparel manufacturing factories converting to modular manufacturing to increase productivity.

- maintained and administered the Saskatchewan Made Program, the Saskatchewan Manufacturers Guide, the Major Projects Inventory and the Saskatchewan Suppliers Capability Guide.

- provided professional advice to Saskatchewan companies on quality management and standards-related matters, including technical requirements, testing, certification and registration, business planning and financing, location selection and alliances/partnerships.

- worked with Saskatchewan Agriculture and Food and the Standards Council of Canada to develop a national program of accreditation for certifying products derived from organic agriculture to enhance market access.

- provided advisory services to clients on government incentive programs; export regulations, tariffs and markets; supplier development and venture capital.

- maintained a wide array of detailed promotional information on Saskatchewan and provided this information to companies enquiring about Saskatchewan, as well as to industry associations, government departments and other governments.

- provided input into the Canadian Defence Industries Association annual almanac to ensure Saskatchewan representation of manufacturers and service providers.

- facilitated the establishment of two manufacturing consortiums within the province, bringing together over 25 different manufacturing companies to share ideas and resources in order to increase each company's productivity.

- worked with SaskTel Mobility to explore solutions to cellular phone coverage for clients located in non-serviced areas.

2002-03 Unit Objectives

Effective April 1, 2002, the Business Development Units in Regina and Saskatoon were restructured. Services, functions and staff from the Business Development Units were assigned to newly organized branches including the Strategic Initiatives Branch, the Business Development Branch and the Competitiveness Branch within the new Industry Development Division.

The Competitiveness Branch will manage the government's Regulatory Reform Initiative and continue to encourage departments to reduce the number of regulations they have in place and monitor the numbers reduced.

The branch will focus efforts on competitiveness issues and seek competitive improvements in Saskatchewan's business climate from an investment attraction perspective.

In fiscal 2002-03, the branch will benchmark Saskatchewan with other provinces, states and selected national governments with respect to the use of incremental tax financing and other incentive programs designed to attract desirable new job-creating investments. This research will establish documented intelligence to support recommendations for changes that would make the province more competitive for inward investment.

The branch will also benchmark Saskatchewan policies, procedures and practices with respect to regulatory processes compared to other jurisdictions, particularly those that have recently adopted new systems and procedures.

The branch will continue to investigate complaints that are related to competitiveness in the Saskatchewan economy. Examples of the type of complaints received include: variations in rural municipal business tax rates, municipal heavy road haul issues and access to communications network issues.

The new Business Development Branch will provide the department and its business clients with specialized economic intelligence and support. In 2002-03 business development managers will work with companies, organizations and institutions to pursue growth, expansion and investment opportunities for manufacturing, value-added processing and knowledge-based industries in Saskatchewan. The branch will also work with government, industry and academic partners to facilitate new research, develop support infrastructure and identify industry-enhancing projects. The branch will continue to maintain sectoral databases, including the Major Projects Inventory.

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Strategic Initiatives Branch

The Strategic Initiatives Branch undertakes high-priority projects requiring focused activity and a definable outcome. Projects are usually strictly confidential and intra-/inter-sectoral in nature and require consultation and/or negotiations with senior government and industry representatives to reach a successful conclusion.

The branch accomplishes its goals by:

- identifying viable economic development projects that meet the *Partnership for Prosperity* criteria.
- leading consultations and/or negotiations with private sector, stakeholder groups and other government departments/agencies on high-priority economic development projects.
- ensuring that all stakeholders are engaged in the consultation and negotiations of the project.
- managing the co-ordination and dissemination of all information on projects to appropriate parties.
- working with industry and stakeholder groups to resolve issues that may impede business development or new economic development opportunities.
- liaising with industry officials, business associations and other stakeholder groups on economic development and business related issues.

During the reporting period the branch:

- participated in the development of the Saskatchewan Forest Centre;
- developed a provincewide ethanol strategy resulting in *The Ethanol Fuel Act* being introduced in the spring 2002 sitting of the Legislative Assembly;
- continued its focus and participation in the development of value-added forestry projects;
- worked with other branches on an investment attraction strategy for the province; and
- helped develop capacity around the proposed Saskatchewan Synchrotron Institute in Saskatoon.

2002-03 Objectives

- Continue work on high-priority projects assigned to the department and bring them to a successful conclusion.
- Enhance working relationships with other related branches, departments and agencies across all levels of governments in order to clarify roles and avoid duplication of efforts and maximize resources in support of key projects.
- Promote effective and efficient work relationships within the department in order to bring the most knowledgeable resources to work with the branch on specific projects.

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Investment and Corporate Services Division

This division co-ordinates the work of most of the department's service areas and consists of four branches: Investment Services, Economic Investments, Financial and Administrative Services, and System Services.

Investment Services

The goal of the Investment Services Branch is to promote the development and growth of Saskatchewan businesses in ways designed to increase their equity financing from the community, employees or other individuals, and to create and maintain jobs.

In pursuing this goal, the branch is responsible for administering various activities including the Labour-sponsored Venture Capital Corporations Program, the Small Business Loans Association Program and the Saskatchewan Business Ambassadors Program.

Labour-sponsored Venture Capital Corporations Program

The Labour-sponsored Venture Capital Corporations (LSVCC) Program has three streams:

- Employee Investment – Employees are encouraged to invest in their firms. An employee-controlled investment fund is established, allowing employees to invest in the fund and then receive provincial tax credits of 20 per cent on investments of up to $5,000 and federal tax credits of 15 per cent on investments of up to $5,000. The fund then invests in the employer company for use in its business operations.

- Provincial Pool Funds – These funds encourage Saskatchewan residents to make equity investments into small- and medium-sized Saskatchewan-based businesses. Through labour associations, broadly based investment corporations are established. These corporations issue shares to Saskatchewan residents, then invest those funds in a number of eligible Saskatchewan businesses. Provincial pool funds are governed by provincial legislation. Investors receive provincial tax credits of 20 per cent on investments of up to $5,000 and federal tax credits of 15 per cent on investments of up to $5,000.

- Federal Pool Funds – These funds have the same objective as provincial pool funds. The difference is that the *Canada Income Tax Act* governs federal funds and investors receive provincial tax credits of 15 per cent on investments of up to $3,500 and federal tax credits of 15 per cent on investments of up to $5,000.

Department staff assists all the funds in becoming registered in the province and issues both provincial and federal tax credits to the investors.

The objectives of the Labour-sponsored Venture Capital Corporations Program are to:

- create and maintain jobs;

- encourage employees to invest in the firms that employ them;

- encourage long-term investment in local communities;

- strengthen the provincial economy by providing additional capital for the formation of new businesses and the expansion of existing businesses; and

- build a lasting and productive relationship between labour, business, and government for the benefit of Saskatchewan.

Key accomplishments for 2001-02 included the following:

- 15 employee funds, two provincial pool funds and three national pool funds were operating under the program.

- On the provincial side, both provincial pool funds had successful selling seasons, raising in excess of $12.2 million.

- On the federal side, all three national pool funds raised in excess of $10 million.

These funds are available for investment in Saskatchewan businesses.

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Highlights of activities under the LSVCC program are shown in the following chart:

Labour-sponsored Venture Capital Corporations Program

Employee Funds	Fiscal 2001-02	Program to Date (April 89-March 02)
Number of Registrants Raising Funds	8	25
Funds Invested in Small Businesses	$736,528	$7,365,137
Amounts on Which Tax Credits Paid	$832,180	$5,511,682
Provincial Tax Credits Issued	$126,334	$1,083,489
Jobs Created or Maintained (gross)	179	1,302
Provincial Pool Funds		
Funds Raised	$12,241,950	$30,881,751
Number of Investors	4,940	11,387
Number of Investments Made into Eligible Businesses	16	27
Number of Companies Receiving Equity Funding	12	17
Amount of Funds Invested	$7,635,000	$10,073,160
Provincial Tax Credits Issued	$2,445,946	$6,141,787
National Pool Funds		
Funds Raised	$10,106,926	$181,186,756
Number of Investors	5,220	66,759
Investments Made into Eligible Businesses	5	25
Eligible Businesses Receiving Equity Funding	3	13
Amount of Funds Invested	$6,605,000	$51,012,012
Provincial Tax Credits Issued	$1,450,721	$30,462,510

2002-03 Objectives – LSVCC Program
The department will continue to offer the LSVCC Program and will focus on the following objectives:

- review the LSVCC program to identify possible program enhancements; and
- develop and implement a strategy to increase the awareness of the program.

Small Business Loans Association Program

A Small Business Loans Association (SBLA) can be formed by the incorporation of four or more community-based interest groups: individuals, partnerships, co-operatives or corporations. Once approved and incorporated, an SBLA may access an interest-free revolving line of credit of up to $100,000 from the department, and in turn use this line of credit to make loans up to $10,000 to new and existing businesses.

The objectives of the SBLA Program are to:

- provide business development opportunities to the non-traditional entrepreneur and to extend financing beyond the scope of traditional lenders to contribute to the success of the small entrepreneur; and
- promote the growth and diversification of Saskatchewan by involving existing businesses and associations in assisting small start-up or existing businesses in their communities.

Division staff maintain responsibility for:

- approving new SBLAs and providing final approval on client loans;
- disbursing funds to the SBLAs to then be disbursed to the small businesses;

Highlights of activities under the LSVCC program are shown in the following chart:

Labour-sponsored Venture Capital Corporations Program

Employee Funds	Fiscal 2001-02	Program to Date (April 89-March 02)
Number of Registrants Raising Funds	8	25
Funds Invested in Small Businesses	$736,528	$7,365,137
Amounts on Which Tax Credits Paid	$632,180	$5,511,682
Provincial Tax Credits Issued	$126,334	$1,083,489
Jobs Created or Maintained (gross)	179	1,302
Provincial Pool Funds		
Funds Raised	$12,241,950	$30,881,751
Number of Investors	4,940	11,387
Number of Investments Made into Eligible Businesses	16	27
Number of Companies Receiving Equity Funding	12	17
Amount of Funds Invested	$7,635,000	$10,073,160
Provincial Tax Credits Issued	$2,445,946	$6,141,787
National Pool Funds		
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Small Business Loans Association Program

	2001-02	Program To Date April 1989 - March 2002
Associations Approved	2	353
Active Associations	257	257
Approved Client Loans	495	7,755
Dollar Value of Approved Client Loans	$3,475,486	$39,067,263
Client Remittances	$3,064,592	$27,430,944
Total Active Client Loans at the End of the Year	1,999	n/a
Dollar Value of Active Client Loans at the End of the Year	$9,406,963	n/a
Jobs Created	460	8,669
Jobs Maintained	675.5	8,230
New Businesses Created	201	3,776

- registering loan security appropriately;
- accepting and recording the principal payments from SBLAs on behalf of small businesses;
- collecting on delinquent loans; and
- increasing the awareness of the SBLA program.

During the reporting year, the following program activity occurred:

- an SBLA Manual/Handbook detailing the policies and procedures in an easy to read format for the program was provided to all active SBLAs;
- six training seminars providing information on personal credit and credit bureau information, the need for a business plan, how to evaluate a loan request, and the sharing of success stories were held throughout the province with approximately 70 people attending; and
- trade show booths were staffed at the Saskatchewan Urban Municipalities Association (SUMA), Saskatchewan Association of Rural Municipalities (SARM) Trade Shows, the Connectivity Conference and the 2002 Saskatchewan Rural Economic Opportunities Conference.

2002-03 Objectives – SBLA Program
The department will continue to offer the SBLA Program and will focus on the following objectives:

- continue to offer seminars to all SBLAs and attend annual trade shows to increase the awareness of the program;
- continue to profile SBLA successes;
- review needs of SBLAs and small business loan clients to identify possible program enhancements; and
- monitor non-performing loans to ensure delinquency rates remain at an acceptable level.

Saskatchewan Business Ambassadors Program

The Saskatchewan Business Ambassadors Program is designed with two primary objectives in mind:

- to promote a consistently positive image of Saskatchewan to potential businesses both within and outside the province; and
- to encourage and promote a spirit of optimism among people within the province.

The program enlists the help of business people in promoting the province. These business ambassadors are equipped with promotional materials to inform their business contacts about the strong and growing economy and plentiful business opportunities Saskatchewan has to offer.

Small Business Loans Association Program	2001-02	Program To Date April 1988 - March 2002
Associations Approved	2	353
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To help share the story of Saskatchewan's success, the ambassadors' promotional kit includes print information on the economy and key economic sectors, regional profile cards, lapel pins and a CD-ROM or video with information about Saskatchewan.

Key accomplishments for 2001-02 included successfully relaunching the program in September 2001. As of March 31, 2002, 117 ambassadors have received kits of information to assist them in promoting Saskatchewan as a place in which to do business and live.

A reporting and tracking system has been successfully implemented including ongoing follow-up with ambassadors.

2002-03 Objectives – Saskatchewan Business Ambassadors Program
The department will continue to offer the Saskatchewan Business Ambassadors Program and will focus on the following objectives:

- Fully implement a reporting and tracking system to follow up with both ambassadors and recipients;
- Continue to explore options for promotion of program material within and outside the province including trade shows and conventions;
- Continue to work with chambers of commerce and Regional Economic Development Authorities to promote the program.
- Increase awareness of the Saskatchewan Business Ambassadors Program by contacting provincial business associations.

For more information, contact:
Investment Programs Branch
Saskatchewan Industry and Resources
2103 11th Avenue
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Facsimile: (306) 787-3872

Economic Investments

The goal of the Economic Investments Branch is to help build the province's economy through innovation, research and development, and the adaptation of technologies, as well as to ensure that feedback is obtained from the youth of the province on economic initiatives that affect young people.

In pursing this goal, the branch is responsible for administering the Strategic Investment Fund, the Innovation and Science Fund, the Canada-Saskatchewan Western Economic Partnership Agreement and the Youth Provincial Action Committee on the Economy.

The Strategic Investment Fund

The Strategic Investment Fund (SIF) supports research and development infrastructure and activities that will create new technologies, new products, new business opportunities and new economic activities. Support is targeted at the development of technologies required for Saskatchewan industries to remain efficient and competitive and the development of technologies that will lead to new higher value products, processes and uses for Saskatchewan products.

Key accomplishments of 2001-02 included providing a total of $3.9 million of funding to various projects. Examples of 2001-02 funded initiatives include:

- research on competitive alternatives of doing business in various locations in Canada and other countries;
- research in developing a long-term strategy that the province could take to expand ethanol production in Saskatchewan;
- research into establishing technology transfer capacity to bring new methods, ideas and technologies to the forestry industry;
- training to provide the development, co-ordination, and delivery of strategies and programs designed to maximize the economic and scientific benefits to Saskatchewan associated with the construction, operation,

growth and development, and research opportunities of the Canadian Light Source synchrotron (CLS) project; and

- research in areas of information and communication technology, which will transfer technology and knowledge to Saskatchewan business and individuals.

2002-03 Objectives – Strategic Investment Fund

- Monitor existing contracts to ensure terms and conditions are met and payments disbursed.

- Evaluate new proposals for eligibility for funding under the program.

Innovation and Science Fund

The Innovation and Science Fund (ISF) was introduced in 2000-01 to provide $40 million in funding over four years to Saskatchewan universities in support of projects receiving approval and funding from the Canada Foundation for Innovation (CFI), the Canada Research Chairs (CRC), the Canadian Health Services Research Foundation (CHSRF), and the provincial portion of the Medical Research Council Regional Partnership Program (MRCRPP).

The fund is meant to complement existing provincial research programs and funding mechanisms and, as such, is focused solely on the research activities and capacities of Saskatchewan's publicly funded academic and research institutions.

The Innovation and Science Fund is designed to:

- promote excellence in research at Saskatchewan's post-secondary institutions and associated non-profit research institutes;

- promote research and development partnerships among post-secondary institutions, governments, and the private sector;

- lever federal research funding for Saskatchewan by ensuring that provincial institutions are able to effectively compete in national research funding competitions;

- improve the province's ability to attract and retain high quality scientists and researchers;

- promote economic growth and quality of life through innovation and research; and

- develop Saskatchewan's human capital and innovative capacity.

Key accomplishments for 2001-02 included providing over $15 million in funding for 25 projects. Examples of these projects include:

- additional support to the universities for the Canada Research Chairs Program;

- capital for the New Generation Mass Spectrometer for Earth System Science Research;

- research for two health-related programs: Managing Continuity of Care Through Integrated Care Pathways, and Case Co-ordination to conduct a study of Congestive Heart Failure and Atrial Fibrillation;

- capital for the Saskatchewan Indian Federated College to provide infrastructure for an academic research facility for Aboriginal environmental, health research and teaching laboratories;

- capital for the University of Regina to provide infrastructure for a studio laboratory to further enhance transdisciplinary research into multimedia content design and production; and

- support for the Medical Research Council Regional Partnership Program.

2002-03 Objectives – Innovation and Science Fund

- In conjunction with Saskatchewan Learning (previously Saskatchewan Post-Secondary Education and Skills Training), Saskatchewan Health and the two universities, determine the funding priorities for the program for 2002-03.

- Continue to work with the universities and other department staff to streamline the administrative process, including contract development and provision of funding under the program.

Canada-Saskatchewan Western Economic Partnership Agreement (WEPA)

WEPA is a four-year, $40-million fund designed to help build the province's capacity for economic growth through innovation. Signed in July 1998, the agreement is administered by the department for the provincial government and Western Economic Diversification Canada for the federal government. Although the agreement expired on March 31, 2002, many projects will continue to receive WEPA funding until September 30, 2003, as they fulfil the terms and conditions of the contracts.

WEPA provides funding for projects that significantly increase Saskatchewan's innovative capacity in economic infrastructure, tourism, export and marketing, and rural and northern economic development. During the year, specific analyses were undertaken of development opportunities whose proponents sought joint federal and provincial funding support under WEPA.

Key accomplishments during the year included 13 projects approved for $2,209,500 in commitments. A total of $8,143,242 was disbursed during 2001-02. Examples of 2001-02 initiatives were:

- funding for the development of Tourism Saskatchewan's e-commerce Web site including features such as a comprehensive searchable database, new mapping technology and online booking capabilities;
- funding for five rural tourism regions and Tourism Regina for the development of e-commerce Web sites. The development of these e-commerce Web sites will greatly enhance service to potential Saskatchewan travellers;
- funding to train Saskatchewan individuals to fill key positions on upcoming film and television productions. Having experienced local crewmembers in key positions at the Sound Stage makes Saskatchewan a more attractive and beneficial location for filming.

2002-03 Objectives – WEPA

- Finalize negotiations with the federal government over the terms and conditions of a new agreement to replace the existing agreement, which expired on March 31, 2002.
- Manage ongoing administration of the WEPA including disbursements of approximately $3 million in funding to the more than 40 projects that have been approved to date.
- Carry out a final evaluation on the WEPA, examining issues such as the rationale for the agreement and the efficiency of administration. The evaluation will be beneficial when creating future programs of this sort.

Youth Provincial Action Committee on the Economy (Youth PACE)

The committee acts as an advisory body to the Ministers of Economic and Co-operative Development, Education, Post-Secondary Education and Skills Training, and Culture, Youth and Recreation, providing feedback and recommendations on economic initiatives and training programs for young people.

Youth PACE is a volunteer board with balanced representation from across the province for a one-year renewable term. The membership consists of youth between the ages of 18 and 28 within a wide range of target areas such as youth currently in post-secondary institutions, recent graduates, youth employed in public and private sectors, agricultural and co-operative sectors, youth entrepreneurs, male and female, Aboriginal and non-Aboriginal, and disabled.

Key accomplishments for 2001-02 included feedback and recommendations to the ministers on such initiatives as:

- Saskatchewan Youth Economic Leadership Program
- Youth Success Stories – Only in Saskatchewan
- Youth Ambassadors Concept
- Aboriginal Education and Training Action Plan
- Technology Enhanced Learning
- Centennial Student Employment Program

2002-03 Objectives – Youth PACE

- Review the process for renewing membership to the committee.
- Review the direction and mandate of the committee.

For more information, contact:
Research and Infrastructure Programs
Saskatchewan Industry and Resources
2103 11th Avenue
Regina, SK S4P 3V7

Telephone: (306) 787-7006
Facsimile: (306) 787-3872

Financial and Administrative Services

Financial and Administrative Services provides general operating, financial and legislative services to the department and to the Office of Northern Affairs. The key activities of the branch include:

- co-ordinating the preparation of the department's budget to ensure that priorities receive funding, and liaison and negotiation with Treasury Board.
- revenue and expenditure processing including appropriation control, contract administration and ensuring appropriate legislative authority for payments made.
- conducting financial analysis and consolidation of the department's monthly expenditure forecast.
- providing general administrative and financial support to ensure successful implementation of department initiatives.
- providing quality legislative services to the department in a timely manner.
- providing access to information in accordance with the appropriate legislation.

Key accomplishments of the branch in 2001-2002 included:

- co-ordinating a department-wide relocation of approximately 150 staff to a new building resulting in annual savings of approximately $200,000.
- expanding reporting capabilities of the budget/forecast system to include financial reporting on departmental strategic planning initiatives.
- designing and implementing a new contract information system to ensure legislative compliance and improved payment monitoring.
- reviewing internal processes and staffing allocations, resulting in changes that significantly improved payment process times.
- meeting and often exceeding established timelines for all measurable processes, which included supplier payment and revenue processing, quarterly reports, year-end schedules and reports, and inquiry response times.

2002-03 Branch Objectives

- Amalgamate the central services and operations of two departments as the newly formed Department of Industry and Resources.
- Participate in the design and implementation of a new government-wide accounting and budgeting system.
- Develop and implement the Security Charter, in conjunction with Systems Services Branch, with a goal to improve all aspects of information technology security across the department.

For more information, contact:
Financial and Administrative Services Branch
Corporate Resources Division
Saskatchewan Industry and Resources
2103 – 11th Avenue
Regina, SK S4P 3V7

Telephone: (306) 787-8716
Facsimile: (306) 787-3872

Systems Services

The goals of the Systems Services Branch are to:

- lead the department in the development of a well-managed corporate information technology/ information management (IT/IM) environment that will strengthen the department's ability to efficiently deliver information and services; and
- direct the planning, development, implementation and support of IT systems and computer services for the department.

In 2001-02, the branch:

- implemented CommunityNet in all but two department regional office locations.
- began transferring forms for online access and automating services for online delivery to meet targets specified in the e-government strategy.
- implemented Phase I of a corporate client management system to enable the department to maintain consistent and accurate client information.
- successfully managed a move of all IT systems to the new head office location.

Systems Services Branch staff represented the department on several government-wide committees which dealt with a variety of IT issues.

2002-03 Branch Objectives

- Begin the second phase of the corporate client management system.
- Begin Phase I of the Community Profiles System.
- Complete transferring forms for online access and automating services for online delivery to meet targets specified in the e-government strategy.
- Continue with the development and implementation of an enterprise Information Technology Architecture that will facilitate the conversion to e-government practices.
- Implement a department IT security policy.
- Enhance and maintain departmental networks and database applications considered to be essential tools for the department and its customers.

For more information, contact:
Systems Services
Corporate Resources Division
Saskatchewan Industry and Resources
2103 11th Avenue
Regina, SK S4P 3V7

Telephone: (306) 787-2177
Facsimile: (306) 787-3872

Information Technology Office

Operating under the leadership of the Chief Information Officer for Saskatchewan, the Information Technology Office (ITO) establishes and co-ordinates policies and programs that use information technology to enhance public access, strengthen the government's ability to undertake electronic service delivery and enable electronic commerce throughout the province.

The ITO continues to work with government departments and agencies to create enterprise-wide services and standards to optimize both the efficiency and effectiveness of executive government expenditures on information technology.

During 2001-02, the Information Technology Office was involved in:

- implementation of the province's CommunityNet high-speed Internet initiative, which will provide high-speed Internet access in educational institutions, health facilities and government offices. In 2001-02 approximately 70 per cent of schools, 45 per cent of health districts and 100 per cent of First Nations schools were connected to high-speed Internet;
- expanding the central Web portal for the Government of Saskatchewan, which has received millions of "hits" and generated thousands of public inquiries;
- managing the response to thousands of e-mail inquiries received through the Government of Saskatchewan central Web portal;
- administering the Government On-Line (GOL) Fund that supports departments in the development and enhancement of electronic service delivery;
- promoting online services as an opportunity to use information and technology to provide new services to citizens of Saskatchewan, no matter where they live, through projects such as the Big Game Draw, online payment of summary offences and student information systems;
- providing training and technical support to departments to expand the number of forms available electronically to the public;
- developing a common security policy base for all departments to use in guiding the protection and privacy of all information handled by government, particularly sensitive information pertaining to private citizens;
- working with Saskatchewan libraries to create a CD-ROM training program to assist First Nations, low-income people and seniors, who are unfamiliar with the Internet, to more effectively use the libraries as public access points for the Internet;
- partnering with Statistics Canada and Industry Canada to host a major e-government seminar aimed at enhancing the information management practices of the public sector; and
- developing and publishing an internal monthly e-mail-based newsletter, which is aimed at facilitating the sharing of information technology-related developments, policies and information among government personnel.

2002-03 Objectives

- Continue implementation of the CommunityNet high-speed Internet initiative, connecting all schools and health care facilities.
- Explore options for expanding the high-speed Internet capabilities of CommunityNet to more facilities and more communities throughout the province.
- Expand the number of government services available electronically to citizens across Saskatchewan.
- Continue to foster an environment that will lead to the expansion of electronic commerce in Saskatchewan, in order to strengthen government's ability to use information and information technology to enhance the efficiency of government operations, and to assist Saskatchewan citizens in adapting to a global, information-based economy.
- Develop an information management strategy aimed at organizing, maintaining and making accessible information to government employees that is crucial to their daily work.

- Develop an enterprise architecture for information technology and information management services within the Government of Saskatchewan.

- Reduce the cost of executive government's expenditures on computers by re-organizing bulk purchases.

- Work with departments to build enterprise-wide utility services for IT with the first project focusing on e-mail.

- Work with the Departments of Environment and Health to develop the Saskatchewan Water Information Management System.

- Continue to improve the effectiveness of the Government of Saskatchewan central Web portal as an information and service delivery mechanism to the public.

- Continue to improve the security and privacy of all information handled by the Government of Saskatchewan, by developing policy and holding a number of training events for all levels of government.

- Work with provincial government departments and agencies to achieve the goal outlined in the province's e-government strategy of providing the option to citizens to access all government forms on-line by the end of 2002.

For more information contact:
Information Technology Office
2103 – 11th Avenue
Regina, SK S4P 3V7

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Facsimile: (306) 787-2198

Marketing and Corporate Resources Division

The Marketing and Corporate Resources Division is responsible for the strategic communications, promotion and marketing activities of the department. The division provides leadership on communications issues and supports government marketing efforts to encourage entrepreneurship and to attract businesses, industries and investment to Saskatchewan. The division co-ordinates departmental strategic planning and manages the department's human resource needs.

During 2001-02 the division consisted of four branches: Public Affairs, Marketing, Planning and Research, and Human Resources.

The 2001-02 communications goals of the division included:

- promoting e-government within the civil service and promoting e-government services to the general public.
- promoting innovation and government's role in research and development funding.
- promoting the adoption of e-commerce.
- promoting Aboriginal success stories.
- developing positive relationships with key stakeholders to promote sectors.
- building REDA advertising and promotional capacity and promoting REDA services.
- promoting departmental programs and services that assist businesses and co-operatives and providing communications support for writing, production and advertising of department programs.
- promoting the department's regulatory reform initiative.
- raising awareness of the SBLA and LSVCC programs.
- promoting entrepreneurship.
- improving the internal perception of Saskatchewan as a place of opportunity.
- building a positive awareness of Saskatchewan outside the province.
- facilitating accurate and timely reporting of government-wide economic activity within government.
- building awareness of department accomplishments.
- supporting effective internal communications.

The activity level in the division continued to be high and involved co-ordination with private businesses, other departments and other levels of government. Communications activities for 2001-02 fell into four broad areas in support of division goals:

Creating Economic Confidence
The division worked to develop confidence in Saskatchewan's economy by:

- producing and distributing quarterly editions of *Business Unlimited*, an insert in *Saskatchewan Business* magazine.
- publishing the monthly *Saskatchewan Economic News (SEN)* to provide news about economic indicators and significant economic development projects across the province.
- organizing, co-ordinating and advising on approximately 60 public events to profile economic success stories in the private and public sectors.
- providing major communications support on the *Partnership for Prosperity* economic strategy, including co-ordinating the launch of the strategy in June 2002, and related advertising and Web site development around it.
- launching *The Saskatchewan Dream*, a radio and television campaign promoting Saskatchewan business success stories and involving private sector and media partners.
- launching *Only in Saskatchewan*, a youth campaign which generated more than 500 creative entries from 45 communities across the province.

- writing approximately 130 speeches for the premier, minister and designates to deliver to stakeholders.

- writing more than 60 news releases and feature stories on department programs and initiatives in the private and public sectors.

- developing strategies to communicate news on Saskatchewan economic strengths to the province's business community and the public.

- preparing a monthly "how-to" business column, *Economy Matters*, for Saskatchewan weekly newspapers.

- providing information and support for hundreds of media inquiries, undertaking media relations on economic initiatives and issues, and providing story leads to media on business success stories.

Image and Investment Promotion
The division continued to promote Saskatchewan's economic renewal, growth prospects and investment opportunities among business and opinion leaders both within and outside the province. Activities included:

- developing advertising promoting Saskatchewan's forestry, advanced technology and agri-value sectors, using placements in Saskatchewan newspapers and out-of-province specialty/trade publications.

- developing a business direct-mail campaign targeted to national and international companies that have manufacturing and/or processing facilities in the province.

- developing new marketing materials, such as brochures and fact sheets and refreshing the look of existing materials.

- preparing feature articles and editorial/ photographic material on the Saskatchewan economy and its sectors for various trade and business publications.

- Refreshing and relaunching the Saskatchewan Business Ambassadors Program, and undertaking development work on an expatriates program.

- providing communications support at trade shows, such as the Prospectors & Developers Association of Canada annual convention in Toronto, the Saskatchewan Forestry Expo in Prince Albert and the Saskatchewan Oil and Gas Show in Weyburn.

- providing communications support to trade missions led by the minister and premier and co-ordinated by Saskatchewan Trade and Export Partnership (STEP).

- co-ordinating promotional activities around various special weeks including Co-operatives Week, Small Business Week and REDA Week.

- handling inquiries from the public and preparing promotional packages on varied requests for information on economic development opportunities in Saskatchewan.

Supporting Department Programs and Initiatives
The division increased awareness of department programs and initiatives through production and distribution of print materials and selective use of advertising. Staff co-ordinated design and procurement of exhibit and promotion items, and provided general support to department and ministerial participation in trade shows, trade missions and special events.

Main activities during the reporting period included:

- publishing program fact sheets and co-operative development guides, small business handouts, corporate brochures and other publications, including the *Partnership for Prosperity* document.

- providing communications and marketing support to the *Connectivity* conference.

- updating and expanding the department's photographic image bank.

Accountability and Issues Identification
A major role continued to be the identification of issues and the development strategic communications plans to address them.

During the reporting period, the division:

- co-ordinated department strategic planning and associated performance measures.

- prepared communications strategies for major department projects and for Cabinet Decision Items (CDIs).

- undertook the department's "House Business" responsibilities, providing information to the Legislative Assembly in response to oral and written questions.

- produced the department's 2000-01 annual report.

2002-03 Communications Goals

- Improve the perception within the province that Saskatchewan is a place of opportunity.

- Contribute to a positive awareness of Saskatchewan and its economic opportunities outside the province.

- Promote innovation and the government's role in research and development funding.

- Promote Aboriginal economic success stories.

- Develop positive relationships with key stakeholders to promote sectors.

- Promote the services of REDAs and build REDA advertising and promotional capacity.

- Promote departmental programs and services that assist businesses and co-operatives, and provide communication support for writing, production and advertising of department programs.

- Promote the department's regulatory reform initiative.

- Use stakeholder relations and targeted communications on business successes to promote a spirit of entrepreneurship among Saskatchewan residents.

- Promote entrepreneurship, and initiatives like the SBLA and LSVCC programs, that contribute to it.

- Build public confidence in government accountability and accomplishments.

- Support effective internal communications.

For more information, contact:
Corporate Resources Division
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Telephone: (306) 787-1691
Facsimile: (306) 787-8447

Human Resources

Human Resources works collaboratively with managers and employees to provide proactive human resource management strategies that support the achievement of department goals.

During 2001-02, Human Resources:

- revised the 2000 human resource plan as part of the department's overall strategic planning and accountability processes.

- developed and implemented a training and development policy that supports ongoing learning.

- provided support and guidance to employees and managers during the scope review and allocation process.

- provided leadership to the departmental Employment Equity (EE) Committee to achieve diversity within the department:

    - continued partnerships with five community agencies to access designated group candidates; and

    - achieved an increase in hiring persons of diverse cultures through an extension of the Employment Equity Term Hiring Initiative where all term positions between one month and one year in duration are posted for designated groups after running three days in the department.

- provided leadership to the departmental Occupational Health & Safety (OH&S) committee to ensure health and safety within the workplace.

- developed the violence in the workplace policy to ensure employee safety.

- provided support to the departmental Union Management Committee to build stronger union/management partnerships.

- continued to support management and employees in day-to-day staffing and classification actions and general inquiries.

2002-03 Objectives

The last days of the 2001-02 fiscal year saw the amalgamation of Saskatchewan Economic and Co-operative Development and Saskatchewan Energy and Mines. The two Human Resources Branches combined to reduce costs and become one unit. The early part of 2002-03 will be spent ensuring processes are redefined and superior service continues to be provided to the new Department of Industry and Resources.

A new Human Resources Plan that considers issues and concerns from both former departments will be developed to ensure the department is supported in resources, skill and knowledge to enable it to meet goals and objectives of departmental strategic planning.

For more information, contact:

Human Resources
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Facsimile: (306) 798-0345

Financial Report (Budgetary Expenditure)

Appropriation and Expenditure by Subvote and Subprogram

	Original Estimate 2001-02 ($000's)	Revised Estimate 2001-02 ($000's)	Actual 2001-02 ($000's)
EC01 Administration Total	**$ 2,168**	**$ 2,248**	**$ 2,214**
EC02 Accommodation and Central Services Total	**$ 2,025**	**$ 2,025**	**$ 1,982**
Business and Community Economic Development			
Regional Development	$ 2.010	$ 2.140	$ 2.123
Regional Economic Development Authorities and Organizations	2.800	2.555	2.515
Strategic Initiatives & Investment Services	1.327	1.477	1.476
Business Development and CE&BD Executive	1.569	1.689	1.686
Marketing and Corporate Affairs	1.567	1.508	1.487
EC05 Business and Community Economic Development Total	**$ 9,273**	**$ 9,369**	**$ 9,287**
Business Investment Programs			
Strategic Investment Fund	$ 5.562	$ 4.009	$ 3.952
Innovation and Science Fund	15.000	15.310	15.307
Economic Partnership Agreements	3.750	8.144	8.143
Small Business Loans Associations	1.130	846	846
EC07 Business Investment Programs Total	**$ 25,442**	**$ 28,309**	**$ 28,248**
EC06 Policy Total	**$ 1,229**	**$ 1,179**	**$ 1,167**
Information Technology Office			
Information Technology Initiatives	1.398	2.130	2.129
Government On-Line	2.353	1.979	1.978
EC13 Information Technology Office Total	**$ 3,751**	**$ 4,109**	**$ 4,107**
EC12 Co-operative Development Total	**$ 750**	**$ 750**	**$ 734**
EC04 Tourism Saskatchewan Total	**$ 6,915**	**$ 6,915**	**$ 6,915**
EC11 Saskatchewan Trade and Export Partnership Inc. Total	**$ 2,591**	**$ 2,591**	**$ 2,591**
Saskatchewan Opportunities Corporation Transfers			
Investment Division	$ 1.495	$ 1.495	$ 1.495
Research Park Division	4.698	4.698	4.698
Investment Loan Loss Contribution	2.000	2.000	1.556
EC09 Saskatchewan Opportunities Corporation Total	**$ 8,193**	**$ 8,193**	**$ 7,749**
Office of Northern Affairs			
Northern Programs Management	$ 1.577	$ 1.577	$ 1.481
Northern Strategy	566	586	521
Resource and Policy Development	528	508	408
Economic and Community Development Programs	853	953	900
Northern Development Fund	1.730	1.505	1.416
Northern Commercial Fish Transportation Subsidy	305	430	424
EC10 Office of Northern Affairs Total	**$ 5,559**	**$ 5,559**	**$ 5,150**
ECONOMIC AND CO-OPERATIVE DEVELOPMENT TOTAL	**$ 67,896**	**$ 71,247**	**$ 70,144**

Financial Report (Budgetary Expenditure)

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Legislative Responsibilities

During the reporting period, the Minister of Economic and Co-operative Development was responsible for the following Acts:

The Department of Economic Development Act, 1993

The Act established the Department of Economic Development (the name has since changed to the Department of Economic and Co-operative Development) using standard departmental provisions and provides authority to guide, promote, co-ordinate and implement policies, strategies and programs in support of economic development. *The Small Business Loans Association Program Regulations* are established under this Act.

The Co-operative Guarantee Act

The Act was established in the 1940s to enable the government to assist co-operatives that do not qualify for conventional loans by providing a government guarantee of loans made through an approved lender. The Co-operative Guarantee Board, established by the legislation, did not meet during the reporting year and no applications were received. There are also no outstanding loans.

The Labour-sponsored Venture Capital Corporations Act

The Act and Regulations set the parameters for the Labour-sponsored Venture Capital Corporations Program, including: establishment of Labour-sponsored Venture Capital Corporations, investment of monies, issuance of tax credits and compliance. As well, the Act provides for the issuance of tax credits to federally-registered labour-sponsored venture capital corporations.

The Rural Development Act

The Act, which is jointly administered with Saskatchewan Municipal Affairs and Housing, provides the Minister with the authority to formulate and carry out economic and social programs that benefit persons residing in rural areas. The legislation was transferred when the department received responsibility for the Rural Development Corporation Program; however, this program was wound down at the end of fiscal 1997-98.

The Tourism Authority Act

The Act provides for the establishment of the Saskatchewan Tourism Authority, which is charged with the responsibility to facilitate: the marketing of tourism, the provision of visitor and information services, the education and training of individuals involved in the tourism industry, the planning and development of tourism destination areas, the administration of tourism funding programs (other than capital funding), research and policy development in tourism, public awareness of tourism, and the development and promotion of tourism in Saskatchewan.

Legislative Amendments

During the reporting period, there were no amendments made to legislation governed by Saskatchewan Economic and Co-operative Development.

In addition, no legislation was introduced or repealed by the department during the reporting year.

The Saskatchewan Economy

Saskatchewan's economy experienced a more challenging year in 2001, due to the global economic slowdown and difficulties facing the provincial agricultural sector, including a severe drought and low commodity prices. Overall, the province continued to see steady growth in many of its key economic sectors.

Agricultural output dropped an estimated 23 per cent in 2001, which resulted in a 1.2 per cent dip in the province's real Gross Domestic Product (GDP), according to the Saskatchewan Bureau of Statistics. Prior to 2001, the province had enjoyed eight straight years of positive growth, the second-longest period of growth in the past 50 years.

Despite the situation in agriculture last year, however, Saskatchewan's economy is more diversified and more resistant to fluctuations in the farming sector. Real GDP exceeded $31 billion in 2001 – the third consecutive year where economic activity topped the $30-billion mark. From 1992 to 2001, Saskatchewan had the third highest growth rate in real GDP per capita among the provinces, averaging 2.7 per cent per year, and posted the strongest productivity growth (measured as real GDP per employed person) of any province, at an average of 2.3 per cent annually.

Employment in Saskatchewan totalled 472,400 in 2001. Compared to 2000 (which was a record year for employment), the employment level was down by 12,600, with over 85 per cent of the job losses occurring in agriculture. This was consistent with the national trend where the agricultural sector lost 44,000 jobs Canada-wide. From 1992 to 2001, total employment in Saskatchewan increased by 23,900, consisting of a loss of 30,300 jobs in agriculture and a gain of 54,200 jobs in the non-agricultural sectors of the provincial economy.

The province's unemployment rate stood at 5.8 per cent in 2001, the third lowest rate in the nation and below Canada's unemployment rate of 7.2 per cent.

Saskatchewan's population was estimated to be 1,015,783, as of July 1, 2001. This is a decrease of 6,209 persons (0.6%) from July 1, 2000. Even with the slight population drop last year, Saskatchewan's total population has increased by 11,796 between 1992 and 2001.

Saskatchewan continues to be one of the most trade-dependent provinces in Canada. Exports to other parts of the country and to the rest of the world account for more than two-thirds of the province's real GDP. In 2001 exports to other countries, which amounted to over $13 billion, represented nearly 43 per cent of real GDP. In total, out-of-province exports exceeded $21 billion in 2001, a 1.1 per cent decrease from the level in 2000. This was due, in large part, to lower prices for oil exports.

Saskatchewan's manufacturing sector was steady in 2001, despite the slowdown in economic growth experienced across North America. The province's manufacturing shipments exceeded $7.2 billion last year, off slightly from the record $7.5 billion posted in 2000. Shipments had increased by close to $1 billion in 2000, compared to 1999, thanks to higher prices for petroleum products. Manufacturing industries reporting good results in 2001 included the food and beverage sector, machinery manufacturing and chemical products.

Retail sales grew strongly in 2001, exceeding $8.3 billion, an increase of 3.0 per cent over 2000. Consumer spending at general merchandise (department) stores, supermarkets and other food stores, drug stores, and recreational and motor vehicle dealers showed considerable strength.

New capital spending by Saskatchewan's private and public sectors exceeded $6.3 billion in 2001. This marked the fifth consecutive year in which capital expenditures in Saskatchewan exceeded $6 billion. Private and public expenditures in 2001 were slightly below the 2000 total, but a new investment intentions survey by Statistics Canada suggested Saskatchewan will lead all the provinces in percentage growth in capital spending in 2002 at 9.3 per cent.

Despite the events of 2001, which included a more pronounced slowdown than previously anticipated in the U.S. and Canadian economies, and the worst drought in Saskatchewan since the early 1980s, most independent forecasters believe that North American economies will rebound sharply in 2002. In its Spring 2002 forecast, the Conference Board of Canada anticipated Saskatchewan's economy would grow by 2.6 per cent in 2002 and 3.7 per cent in 2003.

Publications

Saskatchewan Economic and Co-operative Development distributed the following publications during the reporting year:

Economic Strategy
- *Partnership for Prosperity*
  - Consultation Document (2000)
  - Strategy (2001)
  - Action Plan (2001)
  - What We Heard (2001)
  - Executive Summary (2001)

Economic Analysis
- Monthly Economic Indicator Report

Regional Economic Development Services
- REDAs: Organization and Funding
- Directory of Business Associations in Saskatchewan (1999)
- *Growing From Within: A Practical Approach to Economic Development* (video)

Co-operative Development
- Continuing the Co-operative Sector and Government Partnership – A Mandate Paper
- Co-operative Development Fact Sheets (ongoing series currently with 11 titles)
- *Building the New Saskatchewan* – New Generation Co-operatives For Agricultural Processing and Value-Added Projects: A Development Guide
- The Social and Economic Importance of the Co-operative Sector in Saskatchewan (2000)
- Co-operative Development Assistance Program fact sheet
- Developing and Supporting Saskatchewan Co-operatives: A Directors Handbook

Business Services
- Business Information Resource Materials (72 titles)
- Kinds of Business – (48 titles) – Fall 1999
- Information Bulletins (16 titles)

Economic Diversification
- Saskatchewan Manufacturers Guide (on Web site)
- Major Projects Inventory (on Web site)

Labour-sponsored Venture Capital Corporations Program (LSVCC)
- LSVCC Employee Funds Type B fact sheet
- LSVCC Pool Funds Type A fact sheet
- LSVCC Brochure

Small Business Loans Associations Program
- Mandate and Criteria

Strategic Investments Fund
- Mandate, criteria and application (available on department Web site)

Innovation and Science Fund
- Mandate, criteria and application (available on department Web site)

Canada/Saskatchewan Western Economic Partnership Agreement (WEPA)
- Mandate and criteria

Investment Attraction
- Saskatchewan Success Through Innovation out-of-province marketing kit
  - Overview brochure
  - Sector-specific fact sheets – agricultural biotechnology, agricultural equipment, call centres, Canadian Light Source Inc., cultural industries, food and beverage processing, forestry, health sciences, information technology, mining, oil and gas, pork production, tourism.
  - Saskatchewan fact sheets – about Saskatchewan, cost competitiveness, quality of life.
  - Program Fact Sheets -- Saskatchewan Ambassadors Program and Saskatchewan ExPatriates Program
- Saskatchewan Ambassadors Program kit:
  - Sector brochures
  - CD-ROM
  - Video
- Investors Package (available only upon request)

Other

- Department annual reports
- *Saskatchewan Business Unlimited* quarterly magazine (free by subscription)
- *Saskatchewan Economic News* monthly news summary (free by subscription)
- *Canadian Light Source – New Light for Science and Innovation* (1999)
- Implementation to Address Entrepreneurial Education (Fall 1997)
- E-Government in Saskatchewan
- A Wealth of Information – Accountability Report

For more information, contact:

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Industry and Resources
2103 - 11th Avenue
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Tel: (306) 787-1691
Fax: (306) 787-8447

Saskatchewan Industry and Resources Regional Business Offices

(formerly Saskatchewan Economic and Co-operative Development)

Regina
Head Office
2103 – 11th Avenue
Regina, SK S4P 3V7

Centre for Business Development
1925 Rose Street
Regina, SK S4P 3P1

Estevan
303 Wicklow Centre
1133 – 4th Street, Box 5000
Estevan, SK S4A 2V6

Moose Jaw
88 Saskatchewan Street East
Moose Jaw, SK S6H 0V4

North Battleford
1202 – 101st Street
North Battleford, SK S9A 1E9

Yorkton
23 Smith Street West
Yorkton, SK S3N 0H9

Saskatoon
345 – 3rd Avenue South
Saskatoon, SK S7K 2H6

206 – 15 Innovation Boulevard
Saskatoon, SK S7N 2X8

Swift Current
885 – 6th Avenue NE
Swift Current, SK S9H 2M9

Prince Albert
Box 3003, 3rd Floor, City Hall
1084 Central Avenue
Prince Albert, SK S6V 7P3

Office of Northern Affairs
Mistasinihk Place
1328 La Ronge Avenue
Box 5000
La Ronge, SK S0J 1L0

Telephone Numbers

Canada-Saskatchewan Business Service Centre (CSBSC)	1-800-667-4374
Northern Business Directory	1-800-663-4065
Northern Development Fund	1-800-663-4065
Northern Mines Monitoring Secretariat	1-800-577-2668
Office of Northern Affairs	(306) 425-4200
Saskatchewan Industry and Resources Regional Offices	1-800-265-2001

Glossary of Abbreviations

The following abbreviations were used in the 2001-02 Annual Report of Saskatchewan Economic and Co-operative Development.

ABSN	Aboriginal Business Service Network
ACRE	Action Committee on the Rural Economy
AIT	Agreement on Internal Trade
ATAS	Apparel and Textile Association of Saskatchewan
BREI	Business Retention and Expansion International
BSIB	Business Services Improvement Branch
CCA	Canadian Co-operative Association
CFDC	Community Futures Development Corporation
CFI	Canada Foundation for Innovation
CHSRF	Canadian Health Services Research Foundation
CLS	Canadian Light Source (synchrotron project)
CRC	Canada Research Chairs
CSBSC	Canada-Saskatchewan Business Service Centre
CUCC	Credit Union Central of Canada
DND	Department of National Defence
ECAS	Electrical Contractors Association of Saskatchewan
GDP	Gross Domestic Product
GIS	Geographic Information Systems
GOL	Government Online Fund
IT	Information Technology
IT/IM	Information Technology/Information Management
ITO	Information Technology Office
ISF	Innovation and Science Fund
LSVCC	Labour-sponsored Venture Capital Corporation
NDO	Neighbourhood Development Organization
NGC	New Generation Co-operative
PAMI	Prairie Agricultural Machinery Institute
PIMA	Prairie Implement Manufacturers Association
R&D	Research and Development
REDA	Regional Economic Development Authority
SARM	Saskatchewan Association of Rural Municipalities
SATA	Saskatchewan Advanced Technology Association
SBLA	Small Business Loans Association
SCCD	Saskatchewan Council for Community Development
SEDA	Saskatchewan Economic Developers Association
SIF	Strategic Investments Fund
SME	Small and Medium Enterprises
SOCO	Saskatchewan Opportunities Corporation
STEP	Saskatchewan Trade and Export Partnership
SUMA	Saskatchewan Urban Municipalities Association
VIDO	Veterinary Infectious Disease Organization
WEPA	Western Economic Partnership Agreement
WGI	Working Group on Investment